Annexure I

Statement on Impact of Audit Qualifications (for audit report with qualified opinion) submitted along-with Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	SN	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lakhs)
	1.	Turnover / Total income	650.76	650.76
	2.	Total Expenditure	891.48	1,005.32
	3.	Net Profit/(Loss) after taxes	(252.34)	(433.03)
	4.	Earnings Per Share	(5.05)	(8.66)
	5.	Total Assets	3,718.68	3,651.83
	6.	Total Liabilities	3,788.46	4,016.15
	7.	Net Worth	(69.77)	(364.31)
	8.	Any other financial item(s) (as felt appropriate by the management)	NA	NA

II. **Audit Qualification (each audit qualification separately):**

Details of Audit Qualification:

a. *As stated in note 4 to the Statement, the Company have an overdue statutory dues as on 31st March, 2021 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 226.43 lacs (including interest oi Rs. 118.85 lacs), Provident Fund / ESIC / Professional Tax of Rs. 169.70 lacs (including interest of Rs. 69.50 lacs) and Tax Deducted at Source or Rs. 577.58 lacs (including interest of Rs. 219.41 lacs). Though the Company has provided for interest upto 31st March, 2021 in respect of these liabilities, any other consequential impacts as per the respective laws are not ascertained at present. Accordingly, We are unable to comment upon the resultant effect of same on the Assets, Liability and Loss of the company.*

b. *As stated in note 5 to the Statement, the Company has not provided rent for the quarter and year ended 31st March, 2021 amounting to Rs. 28.46 lacs and Rs. 113.84 lacs respectively in respect of office premises owned by a promoter of the Company jointly with his partner in other business since the Company is having stress in working capital finance and major funds are utilised in intangible assets under development and current pandemic situation. Had these expenses have been recognised by the Company, Rent expense, loss for the quarter and year end would have been higher by Rs. 28.46 lacs and Rs. 113.85 lacs respectively and liabilities and debit balance of other equity would have been higher by Rs. 227.69 lacs as at 31st March, 2021.*

c. *Attention is invited to Note no. 6 in respect of Intangible Assets under Development amounting to Rs. 2431.03 lacs which is not completed since long time. In the absence of appropriate audit evidence, we are unable to comment whether it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and impairment loss if any in respect of the same. Accordingly, We are unable to comment upon the resultant effect of same on the Assets, Liability and Loss of the company.*

d. Attention is invited to Note no. 9 in respect of deferred tax assets amounting to Rs. 66.85 lacs, in the absence of appropriate audit evidence for reasonable certainty of its realisation, had the said deferred tax assets have not been recognised, loss for the quarter and year end, debit balance of other equity would have been higher. by and assets would have been lower by Rs. 66.85 lacs.

Type of Audit Qualification :

Qualified Opinion / ~~Disclaimer of Opinion~~ / ~~Adverse Opinion~~

Frequency of qualification:

~~Whether appeared first time~~/ repetitive /~~since how long continuing~~

For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

a. The Company have an overdue statutory dues as on 31st March, 2021 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 226.43 lacs (including interest oi Rs. 118.85 lacs), Provident Fund / ESIC / Professional Tax of Rs. 169.70 lacs (including interest of Rs. 69.50 lacs) and Tax Deducted at Source or Rs. 577.58 lacs (including interest of Rs. 219.41 lacs). Though the Company has provided for interest up to 31st March, 2021 in respect of these liabilities, any other consequential impacts as per the respective laws are not ascertained at present..

b. Since the Company is having stress in working capital finance and major funds are utilised in intangible assets under development, it has not able to pay Rs. 660.81 lacs (net of TDS) in respect of rent for the office premises for the period up to 31st March, 2019, which are owned by a promoter (Mr. Ziaulla Sheriff) jointly with his partner in other business. Considering the abovementioned facts and current Covid-19 pandemic situation, the management is hoping for waive off of the rent for the year and also requested to reduce the outstanding for earlier years to the extent possible. Accordingly, the management has reversed a rent provided up to 31st December, 2019 amounting to Rs. 85.39 lacs during the quarter ended 31st March, 2020 and have not provided rent of Rs. 28.46 lacs for the quarter ended 31st March, 2020, 30th June, 2020, 30th September, 2020, 31st Decemeber,2020 and 31st March, 2021 (Rs. 227.69 lacs as on date).

c. The Company is developing a Software related to Business Intelligence and Data Quality Solutions since long time of which carrying value as at 31st March, 2021 is Rs. 2431.03 lacs as Intangible Assets under Development. The management beleives that the expected future economic benefits that are attributable to the asset will flow to the Company.

d. Though the company has incurred losses during the current and previous year, the Company has recognised deferred tax asset amounting to Rs. 66.85 lacs as at 31st March, 2021 as management beleives that the Company will generate sufficient profits in near future to realise the same

For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) **Management's estimation on the impact of audit qualification:**

NA

(ii) **If management is unable to estimate the impact, reasons for the same: NA**

(iii) **Auditors' Comments on (i) or (ii) above: NA**

III	**Signatories:**	
	Mr. Ziaulla Sheriff Chairman & Managing Director	
	Mr Mukhtar Ahmed Chief Financial Officer	
	Mr. Maddur Gundurao Mohankumar Audit Committee Chairman	

Date : June 30, 2021.
Place: Bangalore

	Statutory Auditor	***For C A S & Co.*** Chartered Accountants **FRN. 111075W** **Gourav Roongta** Partner **Mem.No. 186176**

Date : June 30, 2021.
Place: Mumbai