B S R & Co. LLP
Chartered Accountants

KRM Tower, 1st & 2nd Floors,
No.1, Harrington Road, Chetpet,
Chennai – 600 031, India

Telephone: +91 44 4608 3100
Fax: +91 44 4608 3199

Independent Auditors' Report

To Board of Directors
Latent View Analytics Limited (formerly known as Latent View Analytics Private Limited)
(Stockholders of LatentView Analytics Corporation)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LatentView Analytics Corporation ("the Company"), which comprise the statement of financial position as at March 31, 2022, the statements of income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles ("US GAAP").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors ' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use and Distribution

We draw attention to Note 2(a) to the financial statements, which describes the basis of preparation. The financial statements are prepared to meet the reporting requirements of the holding company and accordingly may not be suitable for any other purpose. Our report is intended solely for the Company and Latent View Analytics Limited ("the holding company") to meet with the aforesaid requirements and should not be used by or distributed to parties other than as aforesaid. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with US GAAP, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. We conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

for **B SR** & Co. **LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No: 217042
ICAI UDIN: **22217042AJMWPH5878**
Place: Chennai

LATENTVIEW ANALYTICS CORPORATION
Balance Sheets as at
March 31, 2022 and March 31, 2021
(in United States Dollar, except share data)

Assets	Note	As at March 31, 2022	As at March 31, 2021
Current assets:			
Cash and cash equivalents	4	16,944,910	14,399,224
Accounts receivable, net of allowances for doubtful accounts	5	10,423,948	7,628,618
Current tax assets		550,638	129,249
Contract assets	12	212,180	561,169
Other current assets	6	495,425	298,188
Total current assets		**28,627,101**	**23,016,448**
Property, plant, and equipment, net	7	155,696	119,830
Deferred income taxes	16	132,858	161,030
Other assets	6	11,991	11,491
Total assets		**28,927,646**	**23,308,799**
Liabilities and Stockholders' equity			
Current liabilities:			
Accounts payable		59,493	93,853
Contract liabilities	12	923,584	1,103,038
Accrued expenses and other current liabilities	9a	2,514,566	1,106,649
Dues to affiliated companies	17	4,650,632	4,373,755
Total current liabilities		**8,148,275**	**6,677,295**
Non-current liabilities:			
Long-term debt, excluding current installments	19	-	3,021,852
Other liabilities	9b	357,436	312,795
Total liabilities		**8,505,711**	**10,011,942**
Stockholders' equity			
Common Stock, $0.01par value			
2,000 stock authorised			
2,000 stock issued and outstanding	10	20	20
Retained earnings		20,421,915	13,296,837
Total stockholders' equity		**20,421,935**	**13,296,857**
Total liabilities and stockholders' equity		**28,927,646**	**23,308,799**

The notes referred to above form an integral part of the financial statements
These financial statements have been approved by the Board of Directors on May 24, 2022
and signed on behalf by

A V Venkatraman
Director

Rajan Sethuraman
Director

LATENTVIEW ANALYTICS CORPORATION
Statement of income for the year ended
March 31, 2022 and March 31, 2021
(in United States Dollar)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue (refer note 2(e) and note 12)	12	51,912,886	38,336,445
Other income	13	3,023,747	2,195
Total revenue		**54,936,633**	**38,338,640**
Employees benefit expenses	14	18,420,334	15,207,462
Depreciation		67,873	40,821
Service expenses	17	25,407,360	17,497,062
Other expenses		3,350,541	1,526,845
Interest expense, Net		22,196	-
Total expenses		**47,268,304**	**34,272,190**
Profit before income tax		**7,668,329**	**4,066,450**
Income tax expense	16	543,251	1,042,797
Profit after income tax		**7,125,078**	**3,023,653**

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A V Venkatraman
Director

Rajan Sethuraman
Director

LATENTVIEW ANALYTICS CORPORATION
Statement of changes in stock holder's equity
March 31, 2022 and March 31, 2021
(in United States Dollar, except where otherwise stated)

	No of shares	Common stock amount	Retained earnings amount	Total stock holder's equity amount
Balance as of April 1, 2020	**2,000**	**20**	**10,273,184**	**10,273,204**
Net income	-	-	3,023,653	**3,023,653**
Balance as of March 31, 2021	**2,000**	**20**	**13,296,837**	**13,296,857**
Balance as of April 01, 2021	**2,000**	**20**	**13,296,837**	**13,296,857**
Net income	-	-	7,125,078	7,125,078
Balance as of March 31, 2022	**2,000**	**20**	**20,421,915**	**20,421,935**

The notes referred to above form an integral part of the financial statements
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LATENTVIEW ANALYTICS CORPORATION
Statement of cash flows
March 31, 2022 and March 31, 2021
(in United States Dollar)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities:		
Net income for the year	7,125,078	3,023,653
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Depreciation and amortization	67,873	40,821
Deferred income tax charge / (benefit)	28,172	(2,250)
Exceptional item - Foregivness of Borrowing	(3,021,852)	-
Changes in operating assets and liabilities:		
(Increase) / decrease in accounts receivable	(2,795,330)	(1,495,900)
(Increase) / decrease in contract assets	348,989	(251,107)
(Increase) / Decrease in other assets	(197,736)	(26,675)
(Decrease) / increase in accounts payable	(34,360)	17,301
(Decrease) / increase in contract liabilities	(179,454)	718,574
(Increase) / decrease in income taxes payable	(421,389)	112,426
Increase / (decrease) in other liabilities	1,452,558	423,604
(Decrease) / increase in dues to affiliated companies	276,877	2,755,897
Net cash generated from operating activities	**2,649,426**	**5,316,344**
Cash flows from investing activities:		
Purchase of property and equipment	(103,740)	(37,866)
Net cash used in investing activities	**(103,740)**	**(37,866)**
Cash flows from financing activities:		
Proceeds from short term borrowings	4,950,000	
Repayment of short term borrowings	(4,950,000)	
Proceeds from long term borrowings	-	3,021,852
Net cash generated from financing activities	**-**	**3,021,852**
Net change in cash and cash equivalents during the year	**2,545,686**	**8,300,330**
Cash and cash equivalents at the beginning of the year	14,399,224	6,098,894
Cash and cash equivalents at the end of the year	**16,944,910**	**14,399,224**
Supplement disclosures of cash flow information:		
Cash paid during the year for income taxes, net of refunds	936,468	932,620
Cash paid during the year for interest	22,196	-

The notes referred to above form an integral part of the financial statements
These financial statements have been approved by the Board of Directors on May 24, 2022 and signed on behalf by

A V Venkatraman
Director

Rajan Sethuraman
Director

1. Overview

Description of business

LatentView Analytics Corporation ("the Company") was incorporated on October 17, 2007 and is headquartered in Princeton, New Jersey. The Company is established with primary objective of helping clients develop and deploy result-oriented analytics solutions that enable them to make smarter decisions using their data, on an on-going basis. The solutions enable clients improve marketing performance; efficiently trade-off risks against available opportunities, maximize customer value, and increase employee effectiveness.

The Company is a wholly owned subsidiary of Latent View Analytics Limited (formerly known as Latent View Analytics Private Limited) ("holding company"), which operates the global delivery center from India. The delivery center in India supports the Company's analytics and technology activities, developing models and applications for use by clients.

2. Significant accounting policies

(a) ***Basis of preparation of financial statements***

The accompanying financial statements of the Company have been prepared in conformity with U.S. Generally Accepted Accounting Principles ('U.S. GAAP'). These financial statements have been prepared to comply with the holding company's consolidation requirements.

(b) ***Use of estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of fixed assets, allowances for doubtful accounts, deferred tax assets and share based compensation; and reserves for employee benefit obligations, income tax uncertainties and other contingencies.

(c) ***Cash and cash equivalents***

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash & Cash Equivalents for the company include only cash held in hand and bank accounts.

(d) ***Trade accounts receivable***

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Amounts collected on trade accounts receivable are included in net cash provided by operating activities in the statements of cash flows. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and customers' financial condition, the amount of receivables in dispute, and the current receivables aging and current payment patterns. The Company reviews its allowance for doubtful accounts monthly. Past due balances over 90 days and over a specified amount are reviewed individually for collectability. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off balance sheet credit exposure related to its customers.

(e) ***Revenue recognition***

The Company is primarily engaged in the business of rendering analytical services.

The Company only has revenue from customers. The Company recognizes revenue when it satisfies performance obligations under the terms of its contracts, and control of its products is transferred to its customers in an amount that reflects the consideration the Company expects to receive from its customers in exchange for those products. This process involves identifying the customer contract, determining the performance obligations in the contract, determining the contract price, allocating the contract price to the distinct performance obligations in the contract, and recognizing revenue when the performance obligations have been satisfied. A performance obligation is considered distinct from other obligations in a contract when it (a) provides a benefit to the customer either on its own or together with other resources that are readily available to the customer and (b) is separately identified in the contract. The Company considers a performance obligation satisfied once it has transferred control of a good or by transferring control over a product to a customer, meaning the customer has the ability to use and obtain the benefit of the product.

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2. Significant accounting policies (contd.)

(e) *Revenue recognition (contd.)*

Taxes assessed by a government authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from sales.

A performance obligation is satisfied over time if one of the following criteria are met:
— the customer simultaneously receives and consumes the benefits as the entity performs;
— the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
— the entity's performance does not create an asset with an alternative use to the entity, and the entity has an enforceable right to payment for performance completed to date.

If control transfers over time, an entity selects a method to measure progress that is consistent with the objective of depicting its performance.

Nature of goods and services

The Company generally recognizes revenue for analytical services over time as the Company's performance creates or enhances an asset that the customer controls from fixed price contracts and the customers simultaneously receives and consumes the benefits as and when the milestones are completed as per the terms of the contract. Revenue on time-and-material contracts are recognised as the related services are performed.

The Company has adopted the 'as-invoiced' practical expedient for performance obligation satisfied over time with respect to certain fixed price contracts. It permits an entity to recognize revenue in the amount to which it has a right to invoice the customer if that amount corresponds directly with the value to the customer of the entity's performance completed to date.

Contract assets and liabilities

Contract assets primarily represent revenue earnings over time that are not yet billable based on the terms of the contracts. The Company does not have impairment losses associated with contracts with customers for the year ended March 31, 2022.

Contract assets and contract liabilities are reported in a net position on an individual contract basis at the end of each reporting period. Contract assets are classified as current on the balance sheet when the Company expects to complete the related performance obligations and invoice the customers within one year of the balance sheet date, and as long-term when the Company expects to complete the related performance obligations and invoice the customers more than one year out from the balance sheet date. Contract liabilities are classified as current on the balance sheet when the revenue recognition associated with the related customer payments and invoicing is expected to occur within one year of the balance sheet date and as long-term when the revenue recognition associated with the related customer payments and invoicing is expected to occur in more than one year from the balance sheet date.

Contract acquisition/fulfilment costs are generally expensed as incurred except which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered. Applying the practical expedient, the entity recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the entity otherwise would have recognised is one year or less.

The Company records reimbursable out of pocket expenses in both revenue and respective expense head. The goods or services giving rise to the out-of-pocket costs do not transfer a good or service to the customer. Rather, the goods or services are used or consumed by the entity in fulfilling its performance obligation to the customer. Therefore, typical out-of-pocket costs (e.g. travel, meals, lodging) and the reimbursements of such costs from the customer are presented on a gross basis and are included as part of transaction price.

Significant financing component

The term between invoicing and when payment is due is not significant. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is one year or less.

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2. Significant accounting policies (contd.)

(f) ***Property and equipment***

Property and equipment are stated at cost less accumulated depreciation. The Company depreciates all property and equipment over the estimated useful lives of the assets on straight line method. The estimated useful lives of the assets are as follows:

Category	Years
Computer equipment	3 - 5 years
Furniture and fixtures	7 years

(g) ***Income taxes***

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance for any tax benefits of which future realization is not more likely than not. Changes in valuation allowance from period to period are reflected in the statement of income in the period of change.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

(h) ***Commitments and contingencies***

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

(i) ***Fair value of financial instruments***

The carrying amounts reflected in the balance sheet for cash, cash equivalents, accounts receivable, accounts payable, short term borrowings, long term borrowings and other accrued liabilities approximate their respective fair values due to the short maturities of these instruments.

(j) ***Employee benefits***

Long-term employment benefits

The Company has a policy under which un-availed leave of their employees is allowed to be accumulated within certain limits and allowed to be availed during the employment period or en-cashed at the time of the employees' separation on the basis of their last drawn salary. Liabilities with regard to the Compensated absences are determined at each balance sheet date as per the projected unit credit method as determined by an actuary based on the leave days accrued. These costs are charged to the statement of income in the period in which the services are provided by the employee.

Retirement benefits

The Group does not have any pension or post retirement plans for any of its employees other than 40 l (K) Plan.
The Group sponsors a 40l(K) plan that covers substantially all employees beginning with their first day of employment. Only elective deferrals are offered through this plan. The Group makes no matching contributions.

(k) ***Stock based compensation***

The Company recognizes all stock-based compensation as a cost in the financial statements. Equity-classified awards are measured at the grant date fair value of the award. The Company has recorded compensation expense based on estimated grant date fair value using the Black-Scholes option-pricing model and estimates the number of forfeitures expected to occur.
Stock based compensation benefits have been issued by the holding company and are charged back to the Company.

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2. Significant accounting policies (contd.)

(l) *Significant risks and uncertainties including business and credit concentrations*

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. By their nature, all such financial instruments involve risk including the credit risk of non-performance by counter parties. In management's opinion, as of March 31, 2022 there was no significant risk of loss in the event of non-performance of the counterparties to these financial instruments, other than the amounts already provided for in the financial statements. Exposure to credit risk is managed through credit approvals, establishing credit limits and monitoring procedures. The Company's cash resources are invested with banks with high investment grade credit rating.

(m) *Recently issued accounting standards not yet adopted*

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. ASC Topic 842 (ASC 842) establishes a ROU model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. The new standard is effective from annual periods in fiscal years beginning after December 15, 2022.

In June 2016, the FASB issued ASU No. 2016-13, ("Topic 326") Measurement of Credit Losses on Financial Instruments which significantly changes the way entities recognize impairment of many financial assets by requiring immediate recognition of estimated credit losses expected to occur over their remaining life, instead of when incurred. Additionally, in November 2018, the FASB issued ASU No. 2018-19, Codification Improvements to ("Topic 326"), Financial Instruments–Credit Losses, which amends Subtopic 326-20 (created by ASU No. 2016-13) to explicitly state that operating lease receivables are not in the scope of Subtopic 326-20 and to clarify the effective date of ASU No. 2016-13 for non-public entities. The changes (as amended) are effective for the Company for annual and interim periods in fiscal years beginning after December 15, 2022.

The Company is currently evaluating the effects of this new standard on its financial statements and related disclosures.

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(in United States Dollar)

3. Leases

Minimum rent payments under operating leases are recognized on a straight-line basis over the term of the lease including any periods of free rent. Rental expenses for operating leases amounted to $ 132,128 for the year ended March 31, 2022 (March 31 2021 : $ 139,699)

Future minimum lease payments under non-cancellable operating leases (with initial or remaining lease terms in excess of one year) are :

Year ending	**March 31, 2022**	**March 31, 2021**
March 31, 2022	-	73,359
March 31, 2023	75,450	75,450
March 31, 2024	70,920	77,367
Total minimum lease payments	**146,370**	**226,176**

4. Cash and cash equivalents

Cash and cash equivalents as at:

	March 31, 2022	**March 31, 2021**
Cash and bank balances	13,141,325	10,597,534
Deposit with bank having an initial term of less than three months	3,803,585	3,801,690
	16,944,910	**14,399,224**

5. Accounts receivable, net of allowances for doubtful accounts

7,628,618). Revenue from top five customers accounted for 62% as of March 31, 2022 (March 31, 2021: 60%). The amount due from these customers accounted for 57% of the account receivables as on March 31, 2022 (March 31, 2021: 69 %).

6. Other assets

Other assets consist of the following:

	March 31, 2022	**March 31, 2021**
Current		
Advances to vendor	275,120	173,435
Advances to employees	33,245	18,273
Prepayments	187,060	106,480
	495,425	**298,188**
Non-current		
Security deposits	11,991	11,491
	11,991	**11,491**

7. Property and equipment, net

Property and equipment consist of the following:

	March 31, 2022	**March 31, 2021**
Computer equipment	345,790	242,050
Furniture and fixtures	22,425	22,425
	368,215	**264,475**
Less: Accumulated depreciation and amortization	(212,519)	(144,645)
	155,696	**119,830**

8. Line of credit

The Company has working capital limit of $5,500,000 with Chase Bank for funding its requirements. The amount outstanding as at March 31, 2022 and March 31, 2021 was NIL.

9a. Accrued expenses and other liabilities

Accrued expenses and other liabilities consist of the following:

	March 31, 2022	**March 31, 2021**
Due to officers and employees	2,162,852	681,924
Provision for compensated absences (current)	296,206	371,743
Others accrued expenses	55,508	52,982
	2,514,566	**1,106,649**

9b Other non-current liabilities represents non-current portion of provision for compensated absences amounting $357,436 (March 31, 2021: $312,795).

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(in United States Dollar)

10. Stockholder's equity

LatentView Analytics Corporation has a single class of equity shares carrying face value of USD 0.01 each. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The voting rights of an equity shareholder on poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

Failure to pay any amount called up on share may lead to forfeiture of shares.

On winding up of LatentView Analytics Corporation, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportions to the number of equity shares held.

11. Fair value measurements

Fair value of financial instruments

The following table represents the carrying amounts and estimated fair value of the Company's financial instruments at end of the period. Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

	As at March 31, 2022		As at March 31, 2021	
Financial assets:	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Cash and cash equivalents	16,944,910	16,944,910	14,399,224	14,399,224
Contract assets	212,180	212,180	561,169	561,169
Trade accounts receivable	10,423,948	10,423,948	7,628,618	7,628,618
Other non current assets	11,991	11,991	11,491	11,491
Other current assets	308,365	308,365	191,708	191,708
	27,901,394	**27,901,394**	**22,792,210**	**22,792,210**
Financial liabilities:				
Trade accounts payable	59,493	59,493	93,853	93,853
Due to affiliated companies	4,650,632	4,650,632	4,373,755	4,373,755
Loan Availed under the Paycheck Protection Program	-	-	3,021,852	3,021,852
Accrued expenses and other liabilities	45,000	45,000	40,000	40,000
	4,755,125	**4,755,125**	**7,529,460**	**7,529,460**

The fair values of the financial instruments shown in the above table as of year end periods represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Company's own judgments about the assumptions that market participants would use in pricing the asset or liability.

Those judgments are developed by the Company based on the best information available in the circumstances, including expected cash flows and appropriately risk adjusted discount rates, available observable and unobservable inputs.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:
Cash and cash equivalents, trade accounts receivable, contract assets, other current and non current assets, trade accounts payable, accrued expenses and other liabilities (excluding employee payables and provision for compensated absences), due to affiliated companies: The carrying amounts, at face value or cost plus accrued interest, approximate fair value because of the short maturity of these instruments.

12. Revenue from contracts with customers

	March 31, 2022	March 31, 2021
Revenue from analytics services	51,912,886	38,336,445

Reconciliation of revenue recognised in statement of profit and loss with contracted price:

Revenue as per contract price	52,071,372	38,586,058
Less: Adjustments to contract price	(158,486)	(249,613)
Total	**51,912,886**	**38,336,445**

Adjustment to contract price includes consideration paid to customers and cash discount given to customers on prompt payment.

Major customers
Revenue from top five customers is USD 32,271,702 which constitutes 62% of the Company's total revenue and individually comprises 4 customers contributing more than 10% of the total revenue.

(in United States Dollar)

12. Revenue from contracts with customers (continued)

Contract balances

Contract assets primarily represent revenue earnings over time that are not yet billable based on the terms of the contracts. The Company does not have impairment losses associated with contracts with customers for the year ended March 31, 2022.

The table below shows significant movements during the fiscal year end periods in contract assets

	March 31, 2022	March 31, 2021
Contract assets		
Balance as at the beginning of the year	561,169	310,062
Revenue recognised during the period but not billed	212,180	561,169
Amounts billed	(561,169)	(310,062)
Balance as at the end of the year	**212,180**	**561,169**

Contract liabilities consist of fees invoiced or paid by the Company's customers for which the associated performance obligations have not been satisfied and revenue has not been recognized based on the Company's revenue recognition criteria.

	March 31, 2022	March 31, 2021
Contract liabilities		
Balance as at the beginning of the year	1,103,038	384,464
Amounts billed but not yet recognized as revenues	923,584	1,103,038
Revenues recognized related to the opening balance of deferred revenue	(1,103,038)	(384,464)
Balance as at the end of the year	**923,584**	**1,103,038**

Remaining performance obligations

Remaining performance obligations represent the amount of the transaction price under contracts with customers that are attributable to performance obligations that are unsatisfied or partially satisfied at the reporting date. The remaining performance obligations are part of the contracts with expected duration of less than year and therefore no information is required to be disclosed in accordance with para ASC 606-10-50-13

(in United States Dollar)

13. Other income

The break up for other income is as follows

	March 31, 2022	March 31, 2021
Interest income	1,895	2,195
Foregivness of Paycheck Protection Programme Loan (refer note 19)	3,021,852	-
Total	**3,023,747**	**2,195**

14. Employee benefit plans

The Company has a qualified 401(k) Savings and Investment Plan (the Plan) whereby employees may contribute toward their pre-tax contribution, up to the Federal annual limits prescribed for the year. The Company matches 15 cents for every $ 1 contributed to the Plan by participants up to 4% of base compensation (subject to statutory limits). During the year ended March 31, 2022 , the Company contributed approximately $22,738 to the 401(k) Plan and the same is included as part of employee benefit expenses in the income statement.

15. Stock based compensation

i. Description of Employee Stock option plan

Latent View Analytics India Limited ('Parent Company') has issued options on its own shares to specified employees of the Company. The cost of options has been charged to the Company based on the grant date fair value.

2016 Employee stock option plan (hereinafter referred as "the Plan")

This plan was approved by the Board of Directors and Shareholders of the Parent Company on April 1, 2016. The plan entitles senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions; all exercised options shall be settled by issue of equity shares of the Parent Company. As per the plan, holders of vested options are entitled to purchase one equity share for every option.

Employee entitled	Number of options outstanding		Number of options that shall vest per	Grant date	Vesting period ends on	Contractual life of the options as per the plan
Employees who have been in employment of the Company before October 31, 2013 and identified as such by the Compensation Committee in consultation with the Board.	3,672,375		Graded vesting	April 08, 2016 to November 20, 2020	April 08, 2017 to November 20, 2021	1-10 years
Employees who have been in employment of the Company or holding company or subsidiary company of the Company and identified as such by the Compensation Committee in consultation with the Board.	855,000		Graded vesting	October 11, 2021	Vesting period ends on October 11, 2024 with each year 25% of the total options given vests	1-10 years

The general terms and conditions related to the grant of all the above share options are as follows.

a) The scheme would be administered and supervised by a committee appointed by the board called "Compensation Committee".
b) Right to exercise is only upon receipt of exercise notice from the Compensation Committee.
c) Options are not transferable. On resignation, options already vested to the employee as at the date of resignation can be exercised in accordance with the plan.

Measurement of fair values

The options outstanding at March 31, 2022 have an exercise price and the range of weighted average contractual life as follows:

	Grant Date **11-Oct-21**	Grant Date **8-Apr-16**
Number of outstanding options	855,000	3,672,375
Range of exercise price	Rs 76; (USD 1.00)	Rs 6.29; (USD 0.09)
Weighted average remaining life (years)	1-10 years	1-6 years

The Company has granted 997,000 @ face value of Re.1 options during the current year ended March 31, 2022 (March 31, 2021: Nil).The estimated grant-date fair value of stock options granted under 2016 plan is Rs. 22.47 to Rs. 30.34, Rs. 38.83 to Rs. 50.70 for the grants made on April 08, 2016, and October 11, 2021 respectively. The fair values are measured based on the Black-Scholes-Merton formula.

Reconciliation of outstanding share options

	March 31, 2022		March 31, 2021	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Options outstanding at the beginning of the year	132	255,375	132	425,125
Increase on account of bonus shares issued		3,812,500		
Granted during the year	76	997,000	132	-
Exercised during the year	26	(390,500)	132	(9,250)
Forfeited during the year	78	(147,000)	132	(160,500)
Outstanding at the end of the year		4,527,375		255,375
Exercisable at the end of the year		3,672,375		255,375

(in United States Dollar)

16. Income taxes

The income tax expense consists of the following:

	March 31, 2022	March 31, 2021
Current taxes		
Federal	367,776	781,939
State	147,303	263,108
	515,079	**1,045,047**
Deferred taxes		
Federal	23,022	(1,361)
State	5,150	(889)
	28,172	**(2,250)**
Income tax expense, net	**543,251**	**1,042,797**

The Company recognizes interest and/or penalties related to income tax matters as a component of income tax expense. As of March 31, 2022 there were no accrued interest and penalties related to uncertain tax positions.

Deferred income taxes reflect the net effects of temporary differences between the carrying value of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of net deferred tax assets and liabilities are as follows:

Deferred tax assets

	March 31, 2022	March 31, 2021
Compensated absences	167,730	177,765
Property and equipment	(34,872)	(16,735)
Total	**132,858**	**161,030**

Management establishes a valuation allowance for deductible temporary differences when it is more likely than not that the benefit of such deferred tax assets will not be recognized. The ultimate realization of deferred tax assets is dependent upon management's assessment of the Company's ability to generate taxable income during the periods in which the temporary differences become deductible. Based on the historical level of taxable income, carryback potential and projections of future taxable income over the periods in which the deferred tax assets are deductible, management has not established any valuation allowance for the deferred tax asset at March 31, 2022. The amount of the deferred tax asset considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced.

Reconciliation of effective tax rate

The significant reconciling items from the expected income tax expense to the actual income tax expense includes state and local income taxes and change in tax rates in the US.

	March 31, 2022		March 31, 2021	
	%	**Amount**	**%**	**Amount**
Profit before tax		7,668,329		4,066,450
Tax using the Company's domestic tax rate	21.00%	1,610,349	21.00%	853,955
Effect of:				
State Tax	1.60%	122,557	5.18%	210,842
True ups	0.00%	-	-0.08%	(3,237)
Penalty	0.00%	-	0.00%	167
M&E	0.02%	1,366	0.00%	26
ESOP	-7.26%	(556,439)	-0.47%	(18,956)
PPP Loan Forgiveness	-8.28%	(634,589)		
Others	0.00%	8	0.00%	-
Income tax expense, net	**7.08%**	**543,251**	**25.64%**	**1,042,797**

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(in United States Dollar)

17. Related party transactions

(a) Key management personnel

AV Venkatraman	Director
Rajan Sethuraman	Director

(b) Related parties where control exists

LatentView Analytics Limited, India	Holding company

(c) Related parties where significant influence exists

LatentView Analytics UK Limited, UK	Fellow subsidiary
LatentView Analytics Pte Limited, Singapore	Fellow subsidiary
LatentView Analytics B.V, Netherland	Fellow subsidiary
LatentView Analytics GmbH, Germany	Fellow subsidiary

Transaction/ nature of relationship

	During the year ended March 31, 2022	During the year ended March 31, 2021
Holding company		
Service expenses	25,359,673	17,497,062
Reimbursement of expenses incurred	45,900	6,000
Stock compensation expenses charged	95,975	-
Fellow Subsidiary- LatentView Analytics GmbH, Germany		
Service expenses	47,687	-

Balance payable to Related parties are as follows:

Name of the Party	As at March 31, 2022	As at March 31, 2021
LatentView Analytics Private Limited	4,602,945	4,373,755
LatentView Analytics GmbH, Germany	47,687	-

18. Commitments and contingencies

The Company is not involved in any disputes, lawsuits and claims, including commercial matters. The Company believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements.

19. Long-term debt, excluding current installments

Loan Availed under the Paycheck Protection Program

LatentView Analytics Corporation was entitled to certain economic relief provided by the U.S. government in order to mitigate the impact of COVID-19 panademic, in the form of a Paycheck protection programe loan received in the month of April 2020 amounting to USD 3 million. Pursuant to such economic relief schemes, during the quarter ended Decemeber 31, 2021, the Company received an approval for forgiveness of the paycheck protection program loan from the U.S. Small Business Adminstration (SBA) for an amount of USD 3 million. The total amount of loan forgiven has been recorded as an exceptional income in the financial statement for the year ended March 31, 2022.

20. Note on subsequent event

There are no subsequent events that have occurred after the reporting period till the date of this financials statements.