

**SAKSOFT, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS  
SUPPLEMENTARY INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORT**

**MARCH 31, 2016 AND 2015**

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**SAKSOFT, INC.**

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# **BALACHANDAR JAYARAMAN CPA LLC**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors and Stockholders of  
Saksoft, Inc.

We have audited the accompanying consolidated financial statements of Saksoft, Inc. (a Colorado Corporation) and subsidiaries, which comprise the consolidated balance sheets as of March 31, 2016 and 2015 and the related consolidated statements of income, changes in stockholder's equity and cash flows for the years then ended, and the related notes to consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion.

## INDEPENDENT AUDITOR'S REPORT – (Cont'd)

### Auditor's Responsibility – (cont'd)

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Saksoft, Inc. and subsidiaries as of March 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in Schedules I, II, III, IV and V (on pages 20 to 29) are presented for the purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and they are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Balachandar Jayaraman CPA LLC*

***Balachandar Jayaraman CPA LLC***  
Colonia, New Jersey  
May 25, 2016

**SAKSOFT, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**March 31, 2016 and 2015**

	2016	2015
<b><u>Assets</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	\$ 1,141,757	\$ 927,349
Accounts Receivable, Net of Allowance for Doubtful Debts \$ 58,068- and \$ -0-	3,811,039	3,546,391
Accounts Receivable - Other	18,429	45,777
Unbilled Revenues	90,997	59,608
Prepaid Expenses	188,639	252,260
Employee Advances	53,502	24,888
Total Current Assets	5,304,363	4,856,273
<b><u>Property and Equipment</u></b>		
Property and Equipment	51,441	47,738
Less: Accumulated Depreciation	(39,148)	(35,841)
Total Property and Equipment	12,293	11,897
<b><u>Noncurrent Assets</u></b>		
Security Deposits	13,530	14,300
Goodwill	1,357,957	1,357,957
Investments	-	-
Total Noncurrent Assets	1,371,487	1,372,257
<b>Total Assets</b>	<b>\$ 6,688,143</b>	<b>\$ 6,240,427</b>
 <b><u>Liabilities and Stockholder's Equity</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	\$ 184,943	\$ 218,029
Accounts Payable - Parent Company	1,125,576	813,190
Due to former shareholders of Nanda Infotech Services, Inc.	9,402	85,109
Billings in Excess of Revenues	104,239	12,483
Accrued Income Tax Liability	406,100	137,716
Accrued Expenses	1,275,272	980,094
Factoring Loan Payable - TAB Bank	48,291	9,316
Total Current Liabilities	3,153,823	2,255,937
<b><u>Long Term Liabilities</u></b>		
Loan Payable - Sak Industries Pte Limited	1,000,000	-
Loan Payable - Saksoft Pte Limited	250,000	250,000
Loan Payable - SBI	-	2,000,000
Total Long Term Liabilities	1,250,000	2,250,000
<b><u>Stockholder's Equity</u></b>		
Common Stock - Authorized 1,000,000 Shares, no par value, and Issued 195,000 Shares	195,000	195,000
Additional Paid-in Capital	-	-
Retained Earnings	2,089,320	1,539,490
Total Stockholder's Equity	2,284,320	1,734,490
<b>Total Liabilities and Stockholder's Equity</b>	<b>\$ 6,688,143</b>	<b>\$ 6,240,427</b>

See independent auditor's report and accompanying notes to the consolidated financial statements

**SAKSOFT, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**For the Years Ended March 31, 2016 and 2015**

	2016	2015
<u>Operating Revenues</u>		
Sales Revenues	\$ 17,491,253	\$ 14,955,986
Total Operating Revenues	17,491,253	14,955,986
Cost of Sales (Schedule I)	(14,511,846)	(12,320,074)
Gross Profit/(Loss)	2,979,407	2,635,912
Operating Expenses (Schedule II)	(1,662,536)	(1,719,523)
Income/(Loss) from Operations	1,316,871	916,389
<u>Other Non-Operating Income/Expenses</u>		
Interest Income/Other	552	48,939
Interest Expense	(74,706)	(98,392)
Income/(Loss) before provision for Income Taxes	1,242,717	866,936
Provision for Income Taxes (Expense)/Benefit	(542,887)	(360,590)
<b>Net Income/(Loss)</b>	<b>\$ 699,830</b>	<b>\$ 506,346</b>

See independent auditor's report and accompanying notes to the consolidated financial statements

**SAKSOFT, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY**  
**For the Years Ended March 31, 2016 and 2015**

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balance at April 1, 2014	\$ 195,000	\$ -	\$ 1,033,144	\$ 1,228,144
<u>Contribution</u>				
Saksoft, Inc.	-	-	-	-
Nanda Infotech Services, Inc.	-	-	-	-
<u>Elimination</u>				
Saksoft, Inc.	-	-	-	-
Nanda Infotech Services, Inc.	-	-	-	-
<u>Net Income/(Loss)</u>				
Saksoft, Inc.	-	-	357,607	357,607
Nanda Infotech Services, Inc.	-	-	148,739	148,739
Balance at March 31, 2015	195,000	-	1,539,490	1,734,490
<u>Contribution/(Return of Capital)</u>				
Saksoft, Inc.	-	-	-	-
Nanda Infotech Services, Inc.	-	-	-	-
<u>Dividend Distribution</u>				
Saksoft, Inc.	-	-	(150,000)	(150,000)
Nanda Infotech Services, Inc.	-	-	-	-
<u>Net Income/(Loss)</u>				
Saksoft, Inc.	-	-	\$ 560,437	560,437
Nanda Infotech Services, Inc.	-	-	\$ 139,393	139,393
<b>Balance at March 31, 2016</b>	<b>\$ 195,000</b>	<b>\$ -</b>	<b>\$ 2,089,320</b>	<b>\$ 2,284,320</b>

See independent auditor's report and accompanying notes to the consolidated financial statements

**SAKSOFT, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Years Ended March 31, 2016 and 2015**

	2016	2015
<b><u>Cash Flows From Operating Activities</u></b>		
Net Income	\$ 699,830	\$ 506,346
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:		
Depreciation Expense	3,307	6,364
(Increase)/Decrease in:		
Accounts Receivable	(264,648)	(364,248)
Accounts Receivable - Affiliate	-	7,634
Accounts Receivable - Other	27,348	(45,777)
Unbilled Revenues	(31,389)	10,158
Prepaid Expenses	63,621	270,209
Prepaid Income Tax	-	3,700
Employee Advances	(28,614)	(15,112)
Security Deposits	770	5,426
Increase/(Decrease) in:		
Accounts Payable	(33,086)	(41,223)
Accounts Payable - Parent Company	312,386	(996,120)
Billings in Excess of Revenues	91,756	(70,958)
Accrued Income Tax Liability	268,384	11,739
Accrued Expenses	295,178	137,372
Net Cash Provided by/(used in) Operating Activities	1,404,843	(574,490)
<b><u>Cash Flows From Investing Activities</u></b>		
Purchase of Property, Plant and Equipment	(3,703)	(1,339)
Net Cash Provided by/(used in) Investing Activities	(3,703)	(1,339)
<b><u>Cash Flows From Financing Activities</u></b>		
Factoring Loan Received (Repaid) - TAB Bank	38,975	(471,736)
Payments to former Shareholders of Nanda Infotech Services, Inc.	(75,707)	(49,891)
Loan Returned to / Received from Saksoft Pte Limited	1,000,000	(100,000)
Loan Payments to Sak Industries	-	(450,000)
Loan Proceeds Received (Repaid)- SBI	(2,000,000)	2,000,000
Dividend Distribution to Parent Company- Saksoft India	(150,000)	-
Paid-in Capital Returned by Nanda Infotech	(300,000)	(100,000)
Return of Capital to Saksoft	300,000	100,000
Net Cash Provided by/(used in) Financing Activities	(1,186,732)	928,373
Net Increase/(Decrease) in Cash and Cash Equivalents	214,408	352,544
Cash and Cash Equivalents: Beginning of Year	927,349	574,805
Cash and Cash Equivalents: End of Year	<b>\$ 1,141,757</b>	<b>\$ 927,349</b>

See independent auditor's report and accompanying notes to the consolidated financial statements



**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2016 AND 2015**

Note 1. Organization

Saksoft, Inc. (Saksoft/Company) was incorporated in Colorado on September 22, 2000. Saksoft is a wholly owned subsidiary of Saksoft Limited (Saksoft-India), a publicly held company in India. Saksoft provides end to end business solutions that leverage technology and enables its clients to enhance business performance. The Company provides the entire gamut of software solutions including consulting, design, development, re-engineering, systems integration, testing and implementation. Saksoft customers are located throughout the United States.

The Company purchased 100% shares of Nanda Infotech Services, Inc. dba Electronic Data Professionals (Nanda), effective December 31, 2012. Nanda is a US company incorporated in the State of Pennsylvania. Nanda provides information technology professional services to various customers in the USA.

Note 2. Summary of Significant Accounting Policies

This summary of significant accounting policies of Saksoft is presented to assist in understanding the Company's consolidated financial statements. The consolidated financial statements and notes are representations of the Company's management who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States of America and have been consistently applied in the preparation of the consolidated financial statements.

a) Principles of Consolidation

The consolidated financial statements include the activities of the Company and its subsidiary for the fiscal years ended March 31, 2016 and 2015. All intercompany balances, transactions, income and expenses, and profits or losses have been eliminated on consolidation.

b) Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. Accordingly, all significant receivables, payables, and other liabilities are disclosed.

c) Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements.

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2016 AND 2015**

Note 2. Summary of Significant Accounting Policies – (Cont'd)

c) Use of Estimates – (cont'd)

Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual events and results could differ from those assumptions and estimates.

d) Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity from the date of purchase of three months or less to be cash equivalents. As of March 31, 2016 and 2015, cash and cash equivalents consist of deposits with banks in checking accounts. The recorded carrying amount of cash equivalents approximates their fair value. The Company places its cash equivalents with high credit-quality financial institutions. As of March 31, 2016 and 2015, there were no restricted cash balances.

e) Accounts Receivable

Trade accounts receivable are stated at net of allowance for doubtful accounts. The Company establishes an allowance for uncollectible trade accounts receivable based on historical collection experience and management's evaluation of collectability of outstanding accounts receivable.

f) Concentrations of Credit Risk

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and cash equivalents and accounts receivable. Cash and cash equivalents are deposited with federally insured commercial banks in the United States. As of March 31, 2016 and 2015, the Company had cash balances in excess of federal insurance limits. Risk to the Company for the uninsured cash balances is considered minimal.

The Company generally does not require collateral or other security in support of accounts receivable. The Company analyzes the need for reserves for potential credit losses and records allowance for doubtful accounts when necessary. During the years ended March 31, 2016 and 2015, a few customers account for a large portion of the Company's revenues and receivables. The details related to accounts receivable are discussed in Note 4.

g) Property and Equipment

For financial reporting purposes, depreciation of property and equipment is provided on the straight-line method. The estimated useful lives of the assets are as follows:



**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2016 AND 2015**

Note 2. Summary of Significant Accounting Policies – (Cont'd)

k) Income Taxes– (Cont'd)

The Company follows certain accounting standards related to uncertain tax positions. These standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. A tax position is recognized when it is more-likely-than-not that the tax position will be sustained upon examination, including resolution of any related appeals or litigation processes. A tax position that meets the more-likely-than-not recognition threshold is measured at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement with a taxing authority. The standard also provides guidance on de-recognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure and transition.

A number of the Company's tax returns remain subject to examination by tax authorities. These include U.S. federal and state tax returns for three years and tax returns for certain states for four years.

l) Advertising

The Company expenses the costs of advertising, including promotional expenses, as incurred.

m) Subsequent Events

Management considered subsequent events through the date of issuance of this report (May 25, 2016).

Note 3. Cash and Cash Equivalents

For purposes of statement of cash flows, the Company considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Company maintains its cash accounts at banks, which are guaranteed by the FDIC up to \$ 250,000, as of March 31, 2016 and 2015.

A summary of the total insured and uninsured cash balances as per bank statements, as of March 31, 2016 and 2015, were as follows:

	<u>2016</u>	<u>2015</u>
Carrying Value	\$ 1,173,712	\$ 963,009
Portion insured by FDIC	<u>500,000</u>	<u>519,471</u>
Portion uninsured by FDIC	<u>\$ 673,712</u>	<u>\$ 443,538</u>

Risk to the Company for the uninsured cash balances is considered minimal.

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2016 AND 2015**

Note 4. Accounts Receivable

Accounts receivable include billing done for professional services provided to several customers. As of March 31, 2016 and 2015, it amounted to \$ 3,811,039 and \$ 3,546,391 respectively. Four customers owed a total of 38% of the accounts receivable as of March 31, 2016. These included four customers from Saksoft. Similarly, four customers owed a total of 45% of the accounts receivable as of March 31, 2015. These included three customers from Saksoft and one customer from Nanda. One and three customers contributed 25% and 37% respectively, of the consolidated sales for the year ended March 31, 2016. Similarly, the one and three customers contributed 21% and 34 % respectively, of the consolidated sales for the previous year ended March 31, 2015. The accounts receivable balances are used to secure the factoring loan from TAB Bank/ other loans, which is explained in more detail later in the notes.

The Company records an allowance for estimated uncollectible accounts in an amount approximating anticipated losses. Individual uncollectible accounts are written off against the allowance when collection of the individual accounts appears doubtful. As of March 31, 2016 and 2015, allowance for doubtful debts amounted to \$ 58,068 and \$ -0-, respectively.

Bad debt write off amounted to \$ -0- and \$-0-, respectively, for the years ended March 31, 2016 and 2015. The Company is pursuing legal collection action against one customer who owed \$259,640 as of March 31, 2016.

Note 5. Accounts Receivable - Affiliate

The Company billed Nanda for services rendered as well as expenses incurred on behalf of Nanda. Nanda owed the Company \$ -0- and \$ -0- respectively, as of March 31, 2016 and 2015.

Note 6. Accounts Receivable - Other

The Company provided advances to suppliers, which are offset against payables in the ordinary course of business. Such balances amounted to \$18,429 and \$ 45,777 as of March 31, 2016 and 2015, respectively.

Note 7. Unbilled Revenues

In the case of fixed price contracts, revenue is recognized based on the percentage of completion method and the invoices are raised based on the milestones specified in the contract. If the revenue recognized is greater than the amount invoiced based on the milestones, the excess of revenues over invoices raised is classified as unbilled revenues.

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2016 AND 2015**

Note 7. Unbilled Revenues– (Cont'd)

As of March 31, 2016 and 2015, unbilled revenues amounted to the following:

	<u>2016</u>	<u>2015</u>
Unbilled Revenues	<u>\$ 90,997</u>	<u>\$ 59,608</u>

Note 8. Prepaid Expenses

Prepaid expenses are primarily composed of insurance, dues and subscription and other expenses such as license and fees which are paid in advance of the coverage period. As of March 31, 2016 and 2015, prepaid expenses amounted to the following:

	<u>2016</u>	<u>2015</u>
Insurance	26,939	25,178
Others	161,700	227,082
Total	<u>\$ 188,639</u>	<u>\$ 252,260</u>

Note 9. Employee Advances

The Company provides advances to employees to meet their expenses during relocation or temporary assignments away from their home location. These advances are adjusted when the employee's expense bills are submitted or salary advances are repaid by the employees. Advances also include reimbursement of expenses incurred by employees, which are billable to clients. As of March 31, 2016 and 2015, employee advances amounted to \$ 53,502 and \$ 24,888, respectively. These advances bear no interest.

Note 10. Property and Equipment

Property and equipment consists of computers, laptops and related office equipment. Their useful lives are approximately 3 to 7 years. They are depreciated using a straight line method. As of March 31, 2016 and 2015, property and equipment consisted of the following:

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2016 AND 2015**

Note 10. Property and Equipment– (Cont'd)

	<u>2016</u>	<u>2015</u>
Computer Equipment	\$ 24,371	\$ 20,668
Office Equipment/Furniture	15,315	15,315
Leasehold Improvements	11,755	11,755
Less: Accumulated Depreciation	<u>(39,148)</u>	<u>(35,841)</u>
Total	<u>\$ 12,293</u>	<u>\$ 11,897</u>

Depreciation expense for the years ended March 31, 2016 and 2015 was \$ 3,307 and \$ 6,364, respectively.

Note 11. Security Deposits

The Company has security deposits with landlords for offices located in New Jersey, New York and Chicago. Nanda has security deposits with landlords for office space located in Pennsylvania. As of March 31, 2016 and 2015, the balances amounted to \$ 13,530 and \$ 14,300, respectively.

Note 12. Goodwill

Saksoft acquired 100% shares of Nanda as of December 31, 2012. The excess of amounts paid for the acquisition of 100% shares of Nanda and related costs over the carried forward net assets (equity) of Nanda as of December 31, 2012 is considered as goodwill. As of March 31, 2015, the overall acquisition costs amounted to \$ 1,666,010 and Nanda's equity was \$ 433,053, resulting in goodwill valuation of \$ 1,232,957. Nanda's goodwill related to its business amounted to \$ 125,000. During the current year, the Company did not have any additional acquisitions, therefore goodwill valuation remained the same. The total goodwill in the consolidated financial statements as of March 31, 2016 and 2015 amounted to \$ 1,357,957 and \$ 1,357,957 respectively.

Generally accepted accounting principles as codified by Financial Accounting Standards Board require that goodwill and other un-amortizable intangible assets are no longer be amortized, but instead be tested for impairment at least annually or earlier if there are impairment indicators. The Company performs a two-step process for impairment testing of goodwill.

The first step of this test, used to identify potential impairment, compares the fair value of a reporting unit with its carrying amount.

The second step (if necessary) measures the amount of the impairment. The Company completed its annual impairment test on the goodwill as of March 31, 2016 and 2015 and deemed that no impairment occurred as of March 31, 2016 and 2015.

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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Note 13. Investments

Saksoft contributed \$ 300,000 as additional paid-in capital to Nanda, as of March 31, 2015. During the current year ended March 31, 2016, Nanda returned net of \$ 300,000 in capital to Saksoft. The amount invested and paid-in capital is eliminated in the consolidated financial statements.

Note 14. Accounts Payable

Accounts payable includes money owed by Saksoft and Nanda for insurance, travel and accommodation expenses, and other services rendered. As of March 31, 2016 and 2015, the balances amounted to \$ 184,943 and \$ 218,029 respectively.

Note 15. Accounts Payable – Parent Company

Accounts payable – parent company consisted of balances due to Saksoft-India for services rendered and reimbursement of expenses incurred. As of March 31, 2016 and 2015, accounts payable – parent company amounted to \$ 1,125,576 and \$ 813,190, respectively.

Note 16. Billings in Excess of Revenues

In the case of fixed price contracts, revenue is recognized based on percentage of completion method and the invoices are raised based on the milestones specified in the contract. If the revenue recognized is lesser than the amount invoiced based on the milestones, the same is classified as billings in excess of revenues. As of March 31, 2016 and 2015, billings in excess of revenues, is as follows:

	<u>2016</u>	<u>2015</u>
Billings in Excess of Revenues	<u>\$ 104,239</u>	<u>\$ 12,483</u>

Note 17. Accrued Income Tax Liability

Accrued income tax liability consists of federal and state corporate income taxes owed by the Company less the amount of estimated tax payments made during the year. As of March 31, 2016 and 2015, they amounted to \$ 406,100 and \$ 137,716, respectively.

Note 18. Accrued Expenses

Accrued expenses include professional fees for services rendered, commissions, employee payroll and taxes, telecommunication, and other expenses incurred during the year. As of March 31, 2016 and 2015, accrued expenses amounted to \$ 1,275,272 and \$ 980,094, respectively.



**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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Note 19. Factoring Loan Payable – TAB Bank

Saksoft paid off its factoring loan from TAB Bank as of March 31, 2015. Nanda continued to use factoring loan from TAB bank as of March 31, 2016. Nanda entered into an accounts receivable purchase and security agreement with TAB bank in February of 2013 with maximum amount of \$500,000. The origination fee equals 0.375%. The discount rate is prime rate plus 1.5%, the prime rate has a floor of 3.25%. As of March 31, 2016, the discount rate was 4.75%. The initial term of 24 months was extended for additional 2 years in March 2015. The advance percentage is 85% of the accounts receivable placed with TAB bank. The balances for Nanda, as of March 31, 2016 and 2015 amounted to \$ 48,291 and \$ 9,316, respectively.

Note 20. Loan Payable – Sak Industries Pte Limited

Saksoft borrowed \$ 1,000,000 from Sak Industries Pte Ltd, Singapore, a related company, on June 4, 2015. The loan amount is utilized for working capital relating to investing in sales, marketing and delivery capabilities for the US markets and to be used for an acquisition of a US based Business Intelligence and Information Management Company. The loan is subject to 5% interest per annum (US prime +1.75 %, prime rate not to reduce below 3.25 %). Presently, the loan requires interest only payments on a quarterly basis. The interest due for the quarter ended March 31, 2016 was accrued as of March 31, 2016. The interest expense for the years ended March 31, 2016 and 2015 was \$ 40,689 and \$ 0, respectively. As of March 31, 2016 and 2015, loan payable to Sak Industries Pte Ltd amounted to \$ 1,000,000 and \$-0-, respectively. This loan is payable in 3 years from the date of first drawdown or June 30, 2018, whichever is later.

Note 21. Loan Payable – Saksoft Pte Limited

Saksoft borrowed \$ 350,000 from Sak Pte Limited, Singapore, a related company on January 20, 2014. The loan is subject to 5% interest per annum. Presently, the loan requires interest only payments on a quarterly basis. The loan is required to be repaid in full within a period of 3 years from the date of commencement. The interest expense for the years ended March 31, 2016 and 2015, amounted to \$ 12,535 and \$ 11,526, respectively. During the current year, no payments were made towards principal balance on loan. As of March 31, 2016 and 2015, loan payable to Saksoft Pte Limited amounted to \$ 250,000 and \$ 250,000, respectively.

Note 22. Loan Payable – SBI

Saksoft entered into a facility agreement with State Bank of India branch in Paris, France (SBI) for the amount of \$ 2,000,000 in the form of Working capital Loan Facility on August 13, 2014. The terms of the loan include 3/6 Month USD Libor (at applicable rate) and 1.250% Margin Rate with interest due on the date of maturity period. SBI disbursed two separate amounts on a 6 Month USD Libor basis. The first disbursement of \$ 1,000,000 was made to the Company on

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2016 AND 2015**

Note 22. Loan Payable – SBI– (Cont'd)

September 8, 2014 at interest rate of 1.5789%, which includes 1.250% Margin Rate plus 0.32890% Libor Rate.

The second disbursement of \$ 1,000,000 was made to the Company on December 16, 2014, at interest rate of 1.59090%, which includes 1.250% Margin Rate plus 0.34090%. The interest expense for the year ended March 31, 2015 amounted to \$ 7,851. The loan was paid off in full with accrued interest for the amount of \$ 2,000,000 on December 8, 2015. As of March 31, 2016 and 2015, loan payable to SBI amounted \$-0- and \$ 2,000,000, respectively.

Note 23. Stockholder's Equity

Saksoft contributed \$ -0- as additional paid-in capital to Nanda during the years ended March 31, 2016 and 2015. Nanda returned \$ 300,000 and \$ 100,000, respectively, of additional paid-in capital back to Saksoft, during the years ended March 31, 2016 and 2015.

Note 24. Compensated Absences

Compensated absences for vacation pay, sick pay and personal time have not been accrued since they cannot be reasonably estimated. The Company's policy is to recognize these costs when actually paid.

Note 25. Income Taxes

The Company files income tax returns in the U.S. federal and various state jurisdictions. Saksoft's provision for income taxes, for the years ended March 31, 2016 and 2015, consisted of the following:

	<u>2016</u>	<u>2015</u>
Federal Tax Expense	\$ 386,519	\$ 256,552
State Tax Expense	156,368	104,038
Total	\$ 542,887	\$ 360,590

Deferred tax liability or asset does not exist as of March 31, 2016 and 2015, since there were no material temporary differences between GAAP financial statements and accrual basis income tax returns.

Note 26. Related – Party Transactions

Saksoft-India, the parent company of Saksoft and other related companies in India and UK provide offshore IT/ sales and management services for implementation of projects. For the years ended March 31, 2016 and 2015, Saksoft-India and other related companies together billed \$ 4,832,751 and \$ 3,774,704, respectively for off-shore consulting services, marketing and travel related expenses as well as

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2016 AND 2015**

Note 26. Related – Party Transactions (cont’d)

management and accounting services to Saksoft.

Accounts Payable due to Saksoft-India as of March 31, 2016 and 2015 were \$ 1,125,576 and \$ 813,190, respectively. The amounts due are paid to the parent company periodically in the ordinary course of business. During consolidation, inter-company sales and cost of sales of \$43,020 and \$-0- between Nanda and Saksoft were eliminated, for the years ended March 31, 2016 and 2015, respectively.

Note 27. Commitments and Contingent Liabilities

Saksoft maintains administrative offices under operating leases at 30 Montgomery Street, Jersey City, New Jersey, which was renewed for an additional three years and four months commencing April 1, 2015 to July 31, 2018. The Company’s operating lease at the Chicago, Illinois location was renewed from October 1, 2014 to September 30, 2016. Saksoft entered into a new lease on April 10, 2014 for guest house located in New York, New York. The lease operates on a month to month basis, with the option to terminate lease agreement with one month notice.

Nanda’s office lease in Bensalem, Pennsylvania was automatically renewed for another year commencing July 1, 2015 June 30, 2016. For the years ended March 31, 2016 and 2015, total consolidated rent expenses amounted \$167,165 and \$ 147,353, respectively.

Future remaining minimum lease payments including utilities on the New York office lease are as follows:

Year Ending:	<u>Amount</u>
March 31, 2017	<u>\$ 72,000</u>

Future remaining minimum lease payments including utilities on the 30 Montgomery Street, Jersey City, New Jersey office lease are as follows:

Year Ending:	<u>Amount</u>
March 31, 2017	\$50,759
March 31, 2018	\$52,196
March 31, 2019	<u>\$17,892</u>

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2016 AND 2015**

Note 27. Commitments and Contingent Liabilities (cont'd)

Future remaining minimum lease payments including utilities on the Chicago, Illinois office lease are as follows:

March 31, 2017	<u>\$11,688</u>
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Future minimum lease payments on Nanda's Bensalem, PA office lease are as follows:

March 31, 2017	<u>\$9,900</u>
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Note 28. Subsequent Events

No significant subsequent events occurred between March 31, 2016 and May 25, 2016, the date of signing of the report, in order to warrant changes to the report.

Note 29. Concentration

The Company maintains its cash in a bank deposit account located in New York, which, at times, may exceed federally insured limit of \$ 250,000. The Company has not experienced any losses in the account. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. As of March 31, 2016 and 2015, uninsured cash balances amounted to \$ 673,712 and \$ 443,538, respectively (as shown in Note 3). Business concentrations relating to sales and accounts receivable were discussed in detail in Note 4.

Note 30. Interest and Taxes

Cash paid on interest and taxes, for the years ended March 31, 2016 and 2015, amounted to the following:

	<u>2016</u>	<u>2015</u>
Income Taxes	\$ 274,503	\$ 345,151
Interest	67,880	89,634
Total	<u>\$ 342,383</u>	<u>\$ 434,785</u>

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2016 AND 2015**

Note 31. Foreign Operations

Saksoft-India, the parent company, provides support services to the Saksoft customers in the USA and bills Saksoft at the agreed upon rates in US dollars for time spent and expenses incurred under professional, managerial, and accounting areas.

**SAKSOFT, INC.**  
**SCHEDULE I - CONSOLIDATING COST OF SALES**  
**For the Year Ended March 31, 2016**

	<u>Saksoft</u>	<u>Nanda</u>	<u>Elimination</u>	<u>Total 2016</u>
<u>Costs of Sales</u>				
Payroll Expenses & Related Taxes	\$ 6,015,844	\$ 2,332,673	\$ -	\$ 8,348,517
Offshore Software Services	4,532,751	-	-	4,532,751
Consulting & Other Expenses	1,669,178	4,420	(43,020)	1,630,578
 Total Cost of Sales	 <u>\$ 12,217,773</u>	 <u>\$ 2,337,093</u>	 <u>\$ (43,020)</u>	 <u>\$ 14,511,846</u>

See independent auditor's report and accompanying notes to the consolidated financial statements

**SAKSOFT, INC.**  
**SCHEDULE I - CONSOLIDATING COST OF SALES**  
**For the Year Ended March 31, 2015**

	<u>Saksoft</u>	<u>Nanda</u>	<u>Elimination</u>	<u>Total 2015</u>
<u>Costs of Sales</u>				
Payroll Expenses & Related Taxes	\$ 4,938,292	\$ 2,758,866	\$ -	\$ 7,697,158
Offshore Software Services	3,429,164	-	-	3,429,164
Consulting & Other Expenses	1,188,707	5,045	-	1,193,752
 Total Cost of Sales	 <u><b>\$ 9,556,163</b></u>	 <u><b>\$ 2,763,911</b></u>	 <u><b>\$ -</b></u>	 <u><b>\$ 12,320,074</b></u>

See independent auditor's report and accompanying notes to the consolidated financial statements

**SAKSOFT, INC.**  
**SCHEDULE II - CONSOLIDATING OPERATING EXPENSES**  
**For the Year Ended March 31, 2016**

	<u>Saksoft</u>	<u>Nanda</u>	<u>Elimination</u>	<u>Total 2016</u>
<u>Operating Expenses</u>				
Travel Expenses	\$ 257,269	\$ 49,291	\$ -	\$ 306,560
Professional Fees - Affiliate	300,000	-	-	300,000
Immigration Expense	210,512	53,738	-	264,250
Professional Fees	120,551	100,116	-	220,667
Employee Benefits	119,807	47,721	-	167,528
Rent	157,265	9,900	-	167,165
Insurance	37,046	29,817	-	66,863
Bad Debts	29,952	28,116	-	58,068
Telephone	29,566	15,356	-	44,922
Office Supplies and Expenses	12,385	3,764	-	16,149
Dues and Subscriptions	15,763	-	-	15,763
Bank Service Charges	4,351	5,827	-	10,178
Staff Events	6,771	3,000	-	9,771
Recruitment Expenses	7,000	-	-	7,000
Depreciation	1,467	1,840	-	3,307
Postage and Delivery	995	1,667	-	2,662
Printing and Reproduction	627	1,056	-	1,683
Total Operating Expenses	<u>\$ 1,311,327</u>	<u>\$ 351,209</u>	<u>\$ -</u>	<u>\$ 1,662,536</u>

See independent auditor's report and accompanying notes to the consolidated financial statements



**SAKSOFT, INC.**  
**SCHEDULE II - CONSOLIDATING OPERATING EXPENSES**  
**For the Year Ended March 31, 2015**

	<u>Saksoft</u>	<u>Nanda</u>	<u>Elimination</u>	<u>Total 2015</u>
<u>Operating Expenses</u>				
Professional Fees	\$ 170,509	\$ 181,803	\$ -	\$ 352,312
Professional Fees - Affiliate	345,540	-	-	345,540
Travel Expenses	231,821	37,061	-	268,882
Immigration Expense	184,738	59,071	-	243,809
Employee Benefits	106,676	59,607	-	166,283
Rent	134,768	12,585	-	147,353
Insurance	31,701	17,840	-	49,541
Telephone	23,450	12,902	-	36,352
Commissions	27,056	-	-	27,056
Recruitment Expenses	18,950	1,820	-	20,770
Dues and Subscriptions	15,621	-	-	15,621
Bank Service Charges	4,178	9,583	-	13,761
Office Supplies and Expenses	11,841	832	-	12,673
Staff Events	3,556	3,000	-	6,556
Depreciation	4,524	1,840	-	6,364
Postage and Delivery	1,647	2,624	-	4,271
Printing and Reproduction	990	1,389	-	2,379
Total Operating Expenses	<u>\$ 1,317,566</u>	<u>\$ 401,957</u>	<u>\$ -</u>	<u>\$ 1,719,523</u>

See independent auditor's report and accompanying notes to the consolidated financial statements

**SAKSOFT, INC.**  
**SCHEDULE III - CONSOLIDATING BALANCE SHEETS**  
**March 31, 2016**

	Saksoft	Nanda	Elimination	Total 2016
<b><u>Assets</u></b>				
<b><u>Current Assets</u></b>				
Cash and Cash Equivalents	\$ 638,707	\$ 503,050	\$ -	\$ 1,141,757
Accounts Receivable, Net of Allowance for Doubtful Debts \$29,952 and \$28,116	3,017,190	793,849	-	3,811,039
Accounts Receivable - Other	16,779	1,650	-	18,429
Unbilled Revenues	84,822	6,175	-	90,997
Prepaid Expenses	118,132	70,507	-	188,639
Employee Advances	53,502	-	-	53,502
Total Current Assets	<u>3,929,132</u>	<u>1,375,231</u>	<u>-</u>	<u>5,304,363</u>
<b><u>Property and Equipment</u></b>				
Property and Equipment	38,563	12,878	-	51,441
Less: Accumulated Depreciation	(33,168)	(5,980)	-	(39,148)
Total Property and Equipment	<u>5,395</u>	<u>6,898</u>	<u>-</u>	<u>12,293</u>
<b><u>Noncurrent Assets</u></b>				
Security Deposits	10,210	3,320	-	13,530
Goodwill	-	125,000	1,232,957	1,357,957
Investments	1,666,110	-	(1,666,110)	-
Total Noncurrent Assets	<u>1,676,320</u>	<u>128,320</u>	<u>(433,153)</u>	<u>1,371,487</u>
<b>Total Assets</b>	<b><u>\$ 5,610,847</u></b>	<b><u>\$ 1,510,449</u></b>	<b><u>\$ (433,153)</u></b>	<b><u>\$ 6,688,143</u></b>
<b><u>Liabilities and Stockholder's Equity</u></b>				
<b><u>Current Liabilities</u></b>				
Accounts Payable	\$ 183,320	\$ 1,623	\$ -	\$ 184,943
Accounts Payable - Parent Company	1,125,576	-	-	1,125,576
Due to former shareholders of Nanda Infotech Services, Inc.	9,402	-	-	9,402
Billings in Excess of Revenues	104,239	-	-	104,239
Accrued Income Tax Liability	294,435	111,665	-	406,100
Accrued Expenses	813,541	461,731	-	1,275,272
Factoring Loan Payable - TAB Bank	-	48,291	-	48,291
Total Current Liabilities	<u>2,530,513</u>	<u>623,310</u>	<u>-</u>	<u>3,153,823</u>
<b><u>Long Term Liabilities</u></b>				
Loan Payable - Sak Industries Pte Limited	1,000,000	-	-	1,000,000
Loan Payable - Saksoft Pte Limited	250,000	-	-	250,000
Total Long Term Liabilities	<u>1,250,000</u>	<u>-</u>	<u>-</u>	<u>1,250,000</u>
<b><u>Stockholder's Equity</u></b>				
Common Stock - Authorized 1,000,000 Shares, no par value, and Issued 195,000 Shares	195,000	100	(100)	195,000
Additional Paid-In Capital	-	-	-	-
Retained Earnings	1,635,334	887,039	(433,053)	2,089,320
Total Stockholder's Equity	<u>1,830,334</u>	<u>887,139</u>	<u>(433,153)</u>	<u>2,284,320</u>
<b>Total Liabilities and Stockholder's Equity</b>	<b><u>\$ 5,610,847</u></b>	<b><u>\$ 1,510,449</u></b>	<b><u>\$ (433,153)</u></b>	<b><u>\$ 6,688,143</u></b>

See independent auditor's report and accompanying notes to the consolidated financial statements

**SAKSOFT, INC.**  
**SCHEDULE III - CONSOLIDATING BALANCE SHEETS**  
**March 31, 2015**

	Saksoft	Nanda	Elimination	Total 2015
<b><u>Assets</u></b>				
<b><u>Current Assets</u></b>				
Cash and Cash Equivalents	\$ 617,453	\$ 309,896	\$ -	\$ 927,349
Accounts Receivable, Net of Allowance for Doubtful Debts	2,380,117	1,166,274	-	3,546,391
Accounts Receivable - Other	40,907	4,870	-	45,777
Unbilled Revenues	52,655	6,953	-	59,608
Prepaid Expenses	218,457	33,803	-	252,260
Employee Advances	23,888	1,000	-	24,888
Total Current Assets	3,333,477	1,522,796	-	4,856,273
<b><u>Property and Equipment</u></b>				
Property and Equipment	34,860	12,878	-	47,738
Less: Accumulated Depreciation	(31,701)	(4,140)	-	(35,841)
Total Property and Equipment	3,159	8,738	-	11,897
<b><u>Noncurrent Assets</u></b>				
Security Deposits	10,980	3,320		14,300
Goodwill	-	125,000	1,232,957	1,357,957
Investments	1,966,110	-	(1,966,110)	-
Total Noncurrent Assets	1,977,090	128,320	(733,153)	1,372,257
<b>Total Assets</b>	<b>\$ 5,313,726</b>	<b>\$ 1,659,854</b>	<b>\$ (733,153)</b>	<b>\$ 6,240,427</b>
<b><u>Liabilities and Stockholder's Equity</u></b>				
<b><u>Current Liabilities</u></b>				
Accounts Payable	\$ 182,017	\$ 36,012	\$ -	\$ 218,029
Accounts Payable - Parent Company	813,190	-	-	813,190
Due to former shareholders of Nanda Infotech Services, Inc.	85,109	-	-	85,109
Billings in Excess of Revenues	12,483	-	-	12,483
Accrued Income Tax Liability	38,275	99,441	-	137,716
Accrued Expenses	512,755	467,339	-	980,094
Factoring Loan Payable - TAB Bank	-	9,316	-	9,316
Total Current Liabilities	1,643,829	612,108	-	2,255,937
<b><u>Long Term Liabilities</u></b>				
Loan Payable - SBI	2,000,000	-	-	2,000,000
Loan Payable - Saksoft Pte Limited	250,000	-	-	250,000
Total Long Term Liabilities	2,250,000	-	-	2,250,000
<b><u>Stockholder's Equity</u></b>				
Common Stock - Authorized 1,000,000 Shares, no par value, and Issued 195,000 Shares	195,000	100	(100)	195,000
Additional Paid-In Capital		300,000	(300,000)	-
Retained Earnings	1,224,897	747,646	(433,053)	1,539,490
Total Stockholder's Equity	1,419,897	1,047,746	(733,153)	1,734,490
<b>Total Liabilities and Stockholder's Equity</b>	<b>\$ 5,313,726</b>	<b>\$ 1,659,854</b>	<b>\$ (733,153)</b>	<b>\$ 6,240,427</b>

See independent auditor's report and accompanying notes to the consolidated financial statements

**SAKSOFT, INC.**  
**SCHEDULE IV - CONSOLIDATING STATEMENTS OF INCOME**  
**For the Year Ended March 31, 2016**

	<u>Saksoft</u>	<u>Nanda</u>	<u>Elimination</u>	<u>Total 2016</u>
<u>Operating Revenues</u>				
Sales Revenues	\$ 14,586,441	\$ 2,947,832	\$ (43,020)	\$ 17,491,253
Total Operating Revenues	<u>14,586,441</u>	<u>2,947,832</u>	<u>(43,020)</u>	<u>17,491,253</u>
Cost of Sales (Schedule I)	(12,217,773)	(2,337,093)	43,020	(14,511,846)
Gross Profit/(Loss)	<u>2,368,668</u>	<u>610,739</u>	<u>-</u>	<u>2,979,407</u>
Operating Expenses (Schedule II)	(1,311,327)	(351,209)	-	(1,662,536)
Income/(Loss) from Operations	<u>1,057,341</u>	<u>259,530</u>	<u>-</u>	<u>1,316,871</u>
<u>Other Non-Operating Income/Expenses</u>				
Interest / Other income	-	552	-	552
Interest Expense	(61,830)	(12,876)	-	(74,706)
Income/(Loss) before provision for Income Taxes	<u>995,511</u>	<u>247,206</u>	<u>-</u>	<u>1,242,717</u>
Provision for Income Taxes (Expense)/Benefit	(435,074)	(107,813)	-	(542,887)
<b>Net Income/(Loss)</b>	<b><u>\$ 560,437</u></b>	<b><u>\$ 139,393</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 699,830</u></b>

See independent auditor's report and accompanying notes to the consolidated financial statements

**SAKSOFT, INC.**  
**SCHEDULE IV - CONSOLIDATING STATEMENTS OF INCOME**  
**For the Year Ended March 31, 2015**

	<u>Saksoft</u>	<u>Nanda</u>	<u>Elimination</u>	<u>Total 2015</u>
<u>Operating Revenues</u>				
Sales Revenues	\$ 11,526,904	\$ 3,429,082	\$ -	\$ 14,955,986
Total Operating Revenues	<u>11,526,904</u>	<u>3,429,082</u>	<u>-</u>	<u>14,955,986</u>
Cost of Sales (Schedule I)	(9,556,163)	(2,763,911)	-	(12,320,074)
Gross Profit/(Loss)	<u>1,970,741</u>	<u>665,171</u>	<u>-</u>	<u>2,635,912</u>
Operating Expenses (Schedule II)	(1,317,566)	(401,957)	-	(1,719,523)
Income/(Loss) from Operations	<u>653,175</u>	<u>263,214</u>	<u>-</u>	<u>916,389</u>
<u>Other Non-Operating Income/Expenses</u>				
Interest / Other income	45,444	3,495		48,939
Interest Expense	(84,846)	(13,546)	-	(98,392)
Income/(Loss) before provision for Income Taxes	<u>613,773</u>	<u>253,163</u>	<u>-</u>	<u>866,936</u>
Provision for Income Taxes (Expense)/Benefit	(256,166)	(104,424)	-	(360,590)
<b>Net Income/(Loss)</b>	<b><u>\$ 357,607</u></b>	<b><u>\$ 148,739</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 506,346</u></b>

See independent auditor's report and accompanying notes to the consolidated financial statements

**SAKSOFT, INC.**  
**SCHEDULE V - CONSOLIDATING STATEMENTS OF CASH FLOWS**  
**For the Year Ended March 31, 2016**

	Saksoft	Nanda	Elimination	Total 2016
<b><u>Cash Flows From Operating Activities</u></b>				
Net Income	\$ 560,437	\$ 139,393	\$ -	\$ 699,830
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:				
Depreciation Expense	1,467	1,840	-	3,307
<u>(Increase)/Decrease in:</u>				
Accounts Receivable	(637,073)	372,425	-	(264,648)
Accounts Receivable- Affiliate	-	-	-	-
Accounts Receivable - Other	24,128	3,220	-	27,348
Unbilled Revenues	(32,167)	778	-	(31,389)
Prepaid Expenses	100,325	(36,704)	-	63,621
Prepaid Income Tax	-	-	-	-
Employee Advances	(29,614)	1,000	-	(28,614)
Security Deposits	770	-	-	770
<u>Increase/(Decrease) in:</u>				
Accounts Payable	1,303	(34,389)	-	(33,086)
Accounts Payable - Parent Company	312,386	-	-	312,386
Billings in Excess of Revenues	91,756	-	-	91,756
Accrued Income Tax Liability	256,160	12,224	-	268,384
Accrued Expenses	300,786	(5,608)	-	295,178
Net Cash Provided by/(used in) Operating Activities	<u>950,664</u>	<u>454,179</u>	<u>-</u>	<u>1,404,843</u>
<b><u>Cash Flows From Investing Activities</u></b>				
Purchase of Property, Plant and Equipment	(3,703)	-	-	(3,703)
Net Cash Provided by/(used in) Investing Activities	<u>(3,703)</u>	<u>-</u>	<u>-</u>	<u>(3,703)</u>
<b><u>Cash Flows From Financing Activities</u></b>				
Factoring Loan Payable - TAB Bank	-	38,975	-	38,975
Due to former Shareholders of Nanda Infotech Services, Inc.	(75,707)	-	-	(75,707)
Loan Payments - SBI	(2,000,000)	-	-	(2,000,000)
Loan Proceeds from Saksoft Pte Limited	1,000,000	-	-	1,000,000
Dividend Distribution to Parent Company- Saksoft India	(150,000)	-	-	(150,000)
Return of Paid-in Capital Contributed to Nanda Infotech	300,000	(300,000)	-	-
Net Cash Provided by/(used in) Financing Activities	<u>(925,707)</u>	<u>(261,025)</u>	<u>-</u>	<u>(1,186,732)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	21,254	193,154	-	214,408
Cash and Cash Equivalents: Beginning of Year	617,453	309,896	-	927,349
Cash and Cash Equivalents: End of Year	<u>\$ 638,707</u>	<u>\$ 503,050</u>	<u>\$ -</u>	<u>\$ 1,141,757</u>

See independent auditor's report and accompanying notes to the consolidated financial statements

**SAKSOFT, INC.**  
**SCHEDULE V - CONSOLIDATING STATEMENTS OF CASH FLOWS**  
**For the Year Ended March 31, 2015**

	Saksoft	Nanda	Elimination	Total 2015
<b><u>Cash Flows From Operating Activities</u></b>				
Net Income	\$ 357,607	\$ 148,739	\$ -	\$ 506,346
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:				
Depreciation Expense	4,524	1,840	-	6,364
<u>(Increase)/Decrease in:</u>				
Accounts Receivable	(472,208)	107,960	-	(364,248)
Accounts Receivable - Affiliate	7,634	-	-	7,634
Accounts Receivable - Other	(40,907)	(4,870)	-	(45,777)
Unbilled Revenues	8,799	1,359	-	10,158
Prepaid Expenses	200,685	69,524	-	270,209
Prepaid Income Tax	3,700	-	-	3,700
Employee Advances	(14,112)	(1,000)	-	(15,112)
Security Deposits	5,426	-	-	5,426
<u>Increase/(Decrease) in:</u>				
Accounts Payable	(961)	(40,262)	-	(41,223)
Accounts Payable - Parent Company	(988,486)	(7,634)	-	(996,120)
Due to former Shareholders of Nanda Infotech Services, Inc.	(49,891)	-	-	(49,891)
Billings in Excess of Revenues	(70,958)	-	-	(70,958)
Accrued Income Tax Liability	5,168	6,571	-	11,739
Accrued Expenses	81,489	55,883	-	137,372
Net Cash Provided by/(used in) Operating Activities	<u>(962,491)</u>	<u>338,110</u>	<u>-</u>	<u>(624,381)</u>
<b><u>Cash Flows From Investing Activities</u></b>				
Purchase of Property, Plant and Equipment	(1,339)	-	-	(1,339)
Net Cash Provided by/(used in) Investing Activities	<u>(1,339)</u>	<u>-</u>	<u>-</u>	<u>(1,339)</u>
<b><u>Cash Flows From Financing Activities</u></b>				
Factoring Loan Payable - TAB Bank	(356,354)	(115,382)	-	(471,736)
Loan Received from Saksoft Pte Limited	(100,000)	-	-	(100,000)
Loan Payments - Sak Industries	(450,000)	-	-	(450,000)
Loan Proceeds from SBI	2,000,000	-	-	2,000,000
Return of Paid-in Capital Contributed to Nanda Infotech	100,000	(100,000)	-	-
Net Cash Provided by/(used in) Financing Activities	<u>1,193,646</u>	<u>(215,382)</u>	<u>-</u>	<u>978,264</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	229,816	122,728	-	352,544
Cash and Cash Equivalents: Beginning of Year	<u>387,637</u>	<u>187,168</u>	<u>-</u>	<u>574,805</u>
Cash and Cash Equivalents: End of Year	<u>\$ 617,453</u>	<u>\$ 309,896</u>	<u>\$ -</u>	<u>\$ 927,349</u>

See independent auditor's report and accompanying notes to the consolidated financial statements