

SAKSOFT, INC.

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

MARCH 31, 2017 AND 2016

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SAKSOFT, INC.

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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, 2017 and 2016 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, 2017 and 2016, and the results of their operations and their 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 consolidating 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 consolidating 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 23, 2017

SAKSOFT, INC.
CONSOLIDATED BALANCE SHEETS
March 31, 2017 and 2016

	2017	2016
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 957,975	\$ 1,141,757
Accounts Receivable, Net of Allowance for Doubtful Debts \$ 58,068 and \$ 58,068	3,295,945	3,811,039
Accounts Receivable - Affiliate	-	-
Accounts Receivable - Other	70,334	18,429
Unbilled Revenues	23,714	90,997
Prepaid Expenses	120,745	188,639
Prepaid Income Tax	1,971	-
Employee Advances	27,318	53,502
Total Current Assets	4,498,002	5,304,363
<u>Property and Equipment</u>		
Property and Equipment	35,773	51,441
Less: Accumulated Depreciation	(24,714)	(39,148)
Total Property and Equipment	11,059	12,293
<u>Noncurrent Assets</u>		
Security Deposits	14,152	13,530
Goodwill	1,357,957	1,357,957
Investments	-	-
Total Noncurrent Assets	1,372,109	1,371,487
Total Assets	\$ 5,881,170	\$ 6,688,143
<u>Liabilities and Stockholder's Equity</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 351,120	\$ 184,943
Accounts Payable - Parent Company	741,796	1,125,576
Accounts Payable - Affiliates	96,045	-
Due to former shareholders of Nanda Infotech Services, Inc.	-	9,402
Billings in Excess of Revenues	17,863	104,239
Accrued Income Tax Liability	57,023	406,100
Accrued Expenses	672,968	1,275,272
Factoring Loan Payable - TAB Bank	-	48,291
Total Current Liabilities	1,936,815	3,153,823
<u>Long Term Liabilities</u>		
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	1,250,000	1,250,000
<u>Stockholder's Equity</u>		
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	2,499,355	2,089,320
Total Stockholder's Equity	2,694,355	2,284,320
Total Liabilities and Stockholder's Equity	\$ 5,881,170	\$ 6,688,143

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, 2017 and 2016

	2017	2016
<u>Operating Revenues</u>		
Sales Revenues	\$ 16,058,109	\$ 17,491,253
Total Operating Revenues	16,058,109	17,491,253
Cost of Sales (Schedule I)	(13,534,349)	(14,511,846)
Gross Profit/(Loss)	2,523,760	2,979,407
Operating Expenses (Schedule II)	(1,823,602)	(1,662,536)
Income/(Loss) from Operations	700,158	1,316,871
<u>Other Non-Operating Income/Expenses</u>		
Interest Income/Other	25,387	552
Interest Expense	(76,733)	(74,706)
Income/(Loss) before provision for Income Taxes	648,812	1,242,717
Provision for Income Taxes (Expense)/Benefit	(238,777)	(542,887)
Net Income/(Loss)	\$ 410,035	\$ 699,830

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, 2017 and 2016

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balance at April 1, 2015	\$ 195,000	\$ -	\$ 1,539,490	\$ 1,734,490
<u>Contribution</u>				
Saksoft, Inc.	-	-	-	-
Nanda Infotech Services, Inc.	-	-	-	-
<u>Elimination</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
Balance at April 1, 2016	195,000	-	2,089,320	2,284,320
<u>Contribution/(Return of Capital)</u>				
Saksoft, Inc.	-	-	-	-
Nanda Infotech Services, Inc.	-	-	-	-
<u>Dividend Distribution</u>				
Saksoft, Inc.	-	-	250,000	250,000
Nanda Infotech Services, Inc.	-	-	(250,000)	(250,000)
<u>Net Income/(Loss)</u>				
Saksoft, Inc.	-	-	249,923	249,923
Nanda Infotech Services, Inc.	-	-	160,112	160,112
Balance at March 31, 2017	\$ 195,000	\$ -	\$ 2,499,355	\$ 2,694,355

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, 2017 and 2016

	2017	2016
<u>Cash Flows From Operating Activities</u>		
Net Income	\$ 410,035	\$ 699,830
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:		
Depreciation Expense	3,800	3,307
<u>(Increase)/Decrease in:</u>		
Accounts Receivable	515,094	(264,648)
Accounts Receivable - Affiliate	-	-
Accounts Receivable - Other	(51,905)	27,348
Unbilled Revenues	67,283	(31,389)
Prepaid Expenses	67,894	63,621
Prepaid Income Tax	(1,971)	-
Employee Advances	26,184	(28,614)
Security Deposits	(622)	770
<u>Increase/(Decrease) in:</u>		
Accounts Payable	166,177	(33,086)
Accounts Payable - Parent Company	(383,780)	312,386
Accounts Payable - Affiliates	96,045	-
Billings in Excess of Revenues	(86,376)	91,756
Accrued Income Tax Liability	(349,077)	268,384
Accrued Expenses	(602,304)	295,178
Net Cash Provided by/(used in) Operating Activities	(123,523)	1,404,843
<u>Cash Flows From Investing Activities</u>		
Purchase of Property, Plant and Equipment	(2,566)	(3,703)
Net Cash Provided by/(used in) Investing Activities	(2,566)	(3,703)
<u>Cash Flows From Financing Activities</u>		
Factoring Loan Received (Repaid) - TAB Bank	(48,291)	38,975
Payments to former Shareholders of Nanda Infotech Services, Inc.	(9,402)	(75,707)
Loan Returned to / Received from Saksoft Pte Limited	-	1,000,000
Loan Proceeds Received (Repaid)- SBI	-	(2,000,000)
Dividend Distribution to Parent Company- Saksoft India	-	(150,000)
Paid-in Capital Returned by Nanda Infotech to Saksoft Inc	-	(300,000)
Return of Capital to Saksoft	-	300,000
Dividend Received by Saksoft Inc from Nanda	250,000	-
Dividend paid to Saksoft Inc from Nanda	(250,000)	-
Net Cash Provided by/(used in) Financing Activities	(57,693)	(1,186,732)
Net Increase/(Decrease) in Cash and Cash Equivalents	(183,782)	214,408
Cash and Cash Equivalents: Beginning of Year	1,141,757	927,349
Cash and Cash Equivalents: End of Year	\$ 957,975	\$ 1,141,757

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

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

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, 2017 and 2016. 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, 2017 AND 2016

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, 2017 and 2016, 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, 2017 and 2016, 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, 2017 and 2016, 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, 2017 and 2016, 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, 2017 AND 2016

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

g) Property and Equipment– (Cont'd)

Computers & Equipment	5 years
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All property and equipment with acquisition costs of at least \$ 500 and useful life of over one year are capitalized. The cost of assets sold, retired, or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is included in statement of income and retained earnings. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of an asset are capitalized.

h) Revenue Recognition

The Company generates revenue from professional services rendered. Revenue is recognized for the services performed while the corresponding costs of providing those services are reflected as cost of sales. Billings to customers for out-of-pocket expenses are recorded as a reduction in expenses incurred. Unbilled revenues represent accounts receivables from customers for which services were already rendered, but not yet billed, due to certain terms in fixed price contracts. Billings in excess of revenues represent invoices raised for which services are not yet rendered; they are recognized as revenues when services are performed.

i) Cost of Sales

Costs of sales primarily consist of employee payroll costs, related payroll taxes and benefits, business travel expenses and amounts paid to Saksoft-India for support services rendered to the customers.

j) Operating Expenses

Operating expenses are general and administrative in nature, which include professional fees, insurance, rent etc., which are not directly related to any specific client project, but provide for the overall support and direction of Saksoft, Inc.

k) Income Taxes

The Company provides for income taxes on the basis of United States generally accepted accounting principles (as codified by Financial Accounting Standards Board) which requires recognition of deferred taxes based on the differences between the financial statement and the tax basis of assets and liabilities at enacted rates in effect in the years in which the differences are expected to reverse. Valuation allowances will be established when necessary to reduce deferred tax assets to the amount expected to be realized.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

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 23, 2017).

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, 2017 and 2016.

A summary of the total insured and uninsured cash balances as per bank statements, as of March 31, 2017 and 2016, were as follows:

	<u>2017</u>	<u>2016</u>
Carrying Value	\$ 1,003,110	\$ 1,221,905
Portion insured by FDIC	546,610	548,193
Portion uninsured by FDIC	<u>\$ 456,500</u>	<u>\$ 673,712</u>

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

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

Note 4. Accounts Receivable

Accounts receivable include billing done for professional services provided to several customers. As of March 31, 2017 and 2016, it amounted to \$3,295,945 and \$ 3,811,039 respectively. Four customers owed a total of 48% of the accounts receivable as of March 31, 2017. These included four customers from Saksoft. Similarly, four customers owed a total of 38% of the accounts receivable as of March 31, 2016. These included the same four customers from Saksoft. The accounts receivable balances are used to secure the factoring loan from TAB Bank for Nanda Infotech, 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, 2017 and 2016, allowance for doubtful debts amounted to \$ 58,068 and \$ 58,068, respectively.

Bad debt write off amounted to \$ -0- and \$-0-, respectively, for the years ended March 31, 2017 and 2016. The Company is pursuing legal collection action against one customer who owed \$145,612 as of March 31, 2017.

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 \$ 30,009 and \$ -0- respectively, as of March 31, 2017 and 2016. The Company also owes Nanda \$38,549 and \$ -0- respectively, as of March 31, 2017 and 2016. Both amounts are eliminated in the consolidated financial statements.

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 \$70,334 and \$18,429 as of March 31, 2017 and 2016, respectively. 2017 balance includes Nanda's receivable of \$53,745 which is due from TAB Bank as mentioned in another Note.

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, 2017 AND 2016

Note 7. Unbilled Revenues-(Cont'd)

As of March 31, 2017 and 2016, unbilled revenues amounted to the following:

	<u>2017</u>	<u>2016</u>
Unbilled Revenues	\$ 23,714	\$ 90,997

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, 2017 and 2016, prepaid expenses amounted to the following:

	<u>2017</u>	<u>2016</u>
Insurance	24,454	26,939
Others	96,291	161,700
Total	<u>\$ 120,745</u>	<u>\$ 188,639</u>

Note 9. Prepaid Income Tax

Prepaid income tax consists of federal and state business taxes, paid in advance. As of March 31, 2017 and 2016, it amounted to \$ 1,971 and \$ -0- , respectively.

Note 10. 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, 2017 and 2016, employee advances amounted to \$ 27,318 and \$ 53,502, respectively. These advances bear no interest.

Note 11. 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, 2017 and 2016, property and equipment consisted of the following:

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

Note 11. Property and Equipment-(Cont'd)

	<u>2017</u>	<u>2016</u>
Computer Equipment	\$ 12,405	\$ 24,371
Office Equipment/Furniture	11,613	15,315
Leasehold Improvements	11,755	11,755
Less: Accumulated Depreciation	<u>(24,714)</u>	<u>(39,148)</u>
Total	<u>\$ 11,059</u>	<u>\$ 12,293</u>

Depreciation expense for the years ended March 31, 2017 and 2016 was \$3,800 and \$ 3,307, respectively.

Note 12. Security Deposits

The Company has security deposits with landlords for offices located in New Jersey and Chicago. Nanda has security deposits with landlords for office space located in Pennsylvania. As of March 31, 2017 and 2016, the balances amounted to \$14,152 and \$ 13,530, respectively.

Note 13. 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, 2017, 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, 2017 and 2016 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, 2017 and 2016 and deemed that no impairment occurred as of March 31, 2017 and 2016.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

Note 14. Investments

Saksoft did not make any contributions to Nanda for the year ending March 31, 2017. Any amount invested and paid-in capital is eliminated in the consolidated financial statements.

Note 15. Accounts Payable

Accounts payable includes money owed by Saksoft and Nanda for insurance, travel and accommodation expenses, and other services received. As of March 31, 2017 and 2016, the balances amounted to \$ 351,120 and \$ 184,943 respectively.

Note 16. 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, 2017 and 2016, accounts payable – parent company amounted to \$ 741,796 and \$ 1,125,576, respectively.

Note 17. Accounts Payable – Affiliates

Accounts payable – Affiliates consisted of balances due to Nanda and Three Sixty Logica for services rendered and reimbursement of expenses incurred. As of March 31, 2017 and 2016, accounts payable- Affiliates amounted to \$ 96,045 and \$ -0-, respectively.

Note 18. Due to Former Shareholders of Nanda

As of March 31, 2017 and 2016, the amount due to former shareholders of Nanda amounted to \$ -0- and \$9,402.

Note 19. 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, 2017 and 2016, billings in excess of revenues, is as follows:

	<u>2017</u>	<u>2016</u>
Billings in Excess of Revenues	<u>\$ 17,863</u>	<u>\$ 104,239</u>

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 20. 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, 2017 and 2016, they amounted to \$ 57,023 and \$ 406,100, respectively.

Note 21. 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, 2017 and 2016, accrued expenses amounted to \$ 672,968 and \$ 1,275,272, respectively.

Note 22. 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 due from Nanda, as of March 31, 2017 and 2016 amounted to \$ -0- and \$ 48,291, respectively. TAB Bank instead owed Nanda \$ 53,745, which is therefore, included under Accounts Receivable-Other.

Note 23. 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, 2017 was accrued as of March 31, 2017. The interest expense for the years ended March 31, 2017 and 2016 was \$ 50,005 and \$ 40,689, respectively. As of March 31, 2017 and 2016, loan payable to Sak Industries Pte Ltd amounted to \$ 1,000,000 and \$1,000,000 respectively. This loan is payable in 3 years from the date of first drawdown or June 30, 2018, whichever is later.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

Note 24. Loan Payable – Saksoft Pte Limited

Saksoft borrowed \$ 350,000 from Sak Pte Limited, Singapore, a related company on January 20, 2014, payable in three years. The loan is subject to 5% interest per annum. Presently, the loan requires interest only payments on a quarterly basis. The loan is extended for an additional period of 3 years from January 20, 2017. The interest expense for the years ended March 31, 2017 and 2016, amounted to \$ 13,446 and \$ 12,535, respectively. During the current year, no payments were made towards principal balance on loan. As of March 31, 2017 and 2016, loan payable to Saksoft Pte Limited amounted to \$ 250,000 and \$ 250,000, respectively.

Note 25. Stockholder’s Equity

Saksoft contributed \$ -0- as additional paid-in capital to Nanda during the years ended March 31, 2017 and 2016. Nanda returned \$ -0- and \$ 300,000, respectively, of additional paid-in capital back to Saksoft, during the years ended March 31, 2017 and 2016.

Note 26. 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 27. 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, 2017 and 2016, consisted of the following:

	<u>2017</u>	<u>2016</u>
Federal Tax Expense	\$ 195,279	\$ 386,519
State Tax Expense	43,498	156,368
Total	\$ 238,777	\$ 542,887

Deferred tax liability or asset does not exist as of March 31, 2017 and 2016, since there were no material temporary differences between GAAP financial statements and accrual basis income tax returns.

Note 28. 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, 2017 and 2016, Saksoft-India and other related companies together billed \$ 4,859,624 and \$ 4,832,751, respectively for off-shore consulting services, marketing and travel related expenses as well as management and accounting services to Saksoft.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

Note 28. Related – Party Transactions (cont'd)

Accounts Payable due to Saksoft-India as of March 31, 2017 and 2016 were \$ 741,796 and \$ 1,125,576, 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 \$91,755 and \$43,020 between Nanda and Saksoft were eliminated, for the years ended March 31, 2017 and 2016, respectively. Also, receivable and payable between Saksoft and Nanda in the amounts of \$68,558 and \$-0- were eliminated during consolidation as of March 31, 2017 and 2016, respectively.

Note 29. 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, 2016 to September 30, 2018. Saksoft entered into a 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, with understanding that the lease will continue for at least three years. During the 2016-2017 year, Saksoft entered into an office lease on January 1, 2017 for Divine, MA, office space until June 30, 2017.

Nanda's office lease in Bensalem, Pennsylvania was automatically renewed for another year commencing July 1, 2016 to June 30, 2017. For the years ended March 31, 2017 and 2016, total consolidated rent expenses amounted \$193,815 and \$167,165, respectively.

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

Year Ending:	<u>Amount</u>
March 31, 2018	\$ 72,000
March 31, 2019	72,000
March 31, 2020	<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:

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

Note 29. Commitments and Contingent Liabilities (cont'd)

Year Ending:	<u>Amount</u>
March 31, 2018	\$49,340
July 31, 2018	<u>16,940</u>

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

March 31, 2018	\$19,056
September 30, 2018	<u>9,528</u>

Future remaining minimum lease payments including utilities on the Divine, Massachusetts office lease are as follows:

June 30, 2017	<u>10,500</u>
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Future minimum lease payments on Nanda's Bensalem, PA office lease are as follows:

March 31, 2018	<u>\$9,900</u>
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Note 30. Subsequent Events

No significant subsequent events occurred between March 31, 2017 and May 23, 2017, the date of signing of the report, in order to warrant changes to the report.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

Note 31. 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, 2017 and 2016, uninsured cash balances amounted to \$ 456,500 and \$ 673,712, respectively (as shown in Note 3). Business concentrations relating to sales and accounts receivable were discussed in detail in Note 4.

Note 32. Interest and Taxes

Cash paid on interest and taxes, for the years ended March 31, 2017 and 2016, amounted to the following:

	<u>2017</u>	<u>2016</u>
Income Taxes	\$ 589,825	\$ 274,503
Interest	<u>92,317</u>	<u>67,880</u>
Total	<u>\$ 682,142</u>	<u>\$ 342,383</u>

Note 33. 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, 2017

	<u>Saksoft</u>	<u>Nanda</u>	<u>Elimination</u>	<u>Total 2017</u>
Costs of Sales				
Payroll Expenses & Related Taxes	\$ 5,059,981	\$ 2,069,925	\$ -	\$ 7,129,906
Offshore Software Services	4,559,624	-	-	4,559,624
Consulting & Other Expenses	1,936,574	-	(91,755)	1,844,819
 Total Cost of Sales	 \$ 11,556,179	 \$ 2,069,925	 \$ (91,755)	 \$ 13,534,349

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, 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><u>\$ 12,217,773</u></u>	 <u><u>\$ 2,337,093</u></u>	 <u><u>\$ (43,020)</u></u>	 <u><u>\$ 14,511,846</u></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, 2017

	Saksoft	Nanda	Elimination	Total 2017
<u>Operating Expenses</u>				
Professional Fees	\$ 256,918	\$ 178,217	\$ -	\$ 435,135
Professional Fees - Affiliate	300,000	-	-	300,000
Travel Expenses	244,099	41,860	-	285,959
Employee Benefits	124,343	68,320	-	192,663
Rent	177,084	9,900	-	186,984
Immigration Expense	123,398	51,312	-	174,710
Dues and Subscriptions	77,633	4,293	-	81,926
Insurance	38,658	13,323	-	51,981
Telephone	38,027	13,453	-	51,480
Commissions	27,581	-	-	27,581
Bank Service Charges	9,219	5,157	-	14,376
Staff Events	4,727	1,545	-	6,272
Recruitment Expenses	4,361	-	-	4,361
Depreciation	1,960	1,840	-	3,800
Postage and Delivery	1,492	684	-	2,176
Printing and Reproduction	977	1,144	-	2,121
Office Supplies and Expenses	339	1,738	-	2,077
Total Operating Expenses	<u>\$ 1,430,816</u>	<u>\$ 392,786</u>	<u>\$ -</u>	<u>\$ 1,823,602</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

	Saksoft	Nanda	Elimination	Total 2016
<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 III - CONSOLIDATING BALANCE SHEETS
March 31, 2017

	Saksoft	Nanda	Elimination	Total 2017
<u>Assets</u>				
<u>Current Assets</u>				
Cash and Cash Equivalents	\$ 653,914	\$ 304,061	\$ -	\$ 957,975
Accounts Receivable, Net of Allowance for Doubtful Debts \$29,952 and \$28,116	2,611,939	684,006	-	3,295,945
Accounts Receivable - Affiliate	30,009	38,549	(68,558)	-
Accounts Receivable - Other	15,764	54,570	-	70,334
Unbilled Revenues	23,714	-	-	23,714
Prepaid Expenses	108,293	12,452	-	120,745
Prepaid Income Tax	1,971	-	-	1,971
Employee Advances	26,818	500	-	27,318
Total Current Assets	<u>3,472,422</u>	<u>1,094,138</u>	<u>(68,558)</u>	<u>4,498,002</u>
<u>Property and Equipment</u>				
Property and Equipment	22,895	12,878	-	35,773
Less: Accumulated Depreciation	(16,894)	(7,820)	-	(24,714)
Total Property and Equipment	<u>6,001</u>	<u>5,058</u>	<u>-</u>	<u>11,059</u>
<u>Noncurrent Assets</u>				
Security Deposits	10,832	3,320	-	14,152
Goodwill	-	125,000	1,232,957	1,357,957
Investments	1,666,110	-	(1,666,110)	-
Total Noncurrent Assets	<u>1,676,942</u>	<u>128,320</u>	<u>(433,153)</u>	<u>1,372,109</u>
Total Assets	<u>\$ 5,155,365</u>	<u>\$ 1,227,516</u>	<u>\$ (501,711)</u>	<u>\$ 5,881,170</u>
<u>Liabilities and Stockholder's Equity</u>				
<u>Current Liabilities</u>				
Accounts Payable	\$ 349,506	\$ 1,614	\$ -	\$ 351,120
Accounts Payable - Parent Company	741,796	30,009	(30,009)	741,796
Accounts Payable - Affiliates	134,594	-	(38,549)	96,045
Billings in Excess of Revenues	17,863	-	-	17,863
Accrued Income Tax Liability	-	57,023	-	57,023
Accrued Expenses	331,349	341,619	-	672,968
Factoring Loan Payable - TAB Bank	-	-	-	-
Total Current Liabilities	<u>1,575,108</u>	<u>430,265</u>	<u>(68,558)</u>	<u>1,936,815</u>
<u>Long Term Liabilities</u>				
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>
<u>Stockholder's Equity</u>				
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	2,135,257	797,151	(433,053)	2,499,355
Total Stockholder's Equity	<u>2,330,257</u>	<u>797,251</u>	<u>(433,153)</u>	<u>2,694,355</u>
Total Liabilities and Stockholder's Equity	<u>\$ 5,155,365</u>	<u>\$ 1,227,516</u>	<u>\$ (501,711)</u>	<u>\$ 5,881,170</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
<u>Assets</u>				
<u>Current Assets</u>				
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>
<u>Property and Equipment</u>				
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>
<u>Noncurrent Assets</u>				
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>
Total Assets	<u>\$ 5,610,847</u>	<u>\$ 1,510,449</u>	<u>\$ (433,153)</u>	<u>\$ 6,688,143</u>
<u>Liabilities and Stockholder's Equity</u>				
<u>Current Liabilities</u>				
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>
<u>Long Term Liabilities</u>				
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>
<u>Stockholder's Equity</u>				
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>
Total Liabilities and Stockholder's Equity	<u>\$ 5,610,847</u>	<u>\$ 1,510,449</u>	<u>\$ (433,153)</u>	<u>\$ 6,688,143</u>

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, 2017

	<u>Saksoft</u>	<u>Nanda</u>	<u>Elimination</u>	<u>Total 2017</u>
<u>Operating Revenues</u>				
Sales Revenues	\$ 13,421,594	\$ 2,728,270	\$ (91,755)	\$ 16,058,109
Total Operating Revenues	<u>13,421,594</u>	<u>2,728,270</u>	<u>(91,755)</u>	<u>16,058,109</u>
Cost of Sales (Schedule I)	(11,556,179)	(2,069,925)	91,755	(13,534,349)
Gross Profit/(Loss)	<u>1,865,415</u>	<u>658,345</u>	<u>-</u>	<u>2,523,760</u>
Operating Expenses (Schedule II)	(1,430,816)	(392,786)	-	(1,823,602)
Income/(Loss) from Operations	<u>434,599</u>	<u>265,559</u>	<u>-</u>	<u>700,158</u>
<u>Other Non-Operating Income/Expenses</u>				
Interest / Other income	25,385	2		25,387
Interest Expense	(63,451)	(13,282)	-	(76,733)
Income/(Loss) before provision for Income Taxes	<u>396,533</u>	<u>252,279</u>	<u>-</u>	<u>648,812</u>
Provision for Income Taxes (Expense)/Benefit	<u>(146,610)</u>	<u>(92,167)</u>	<u>-</u>	<u>(238,777)</u>
Net Income/(Loss)	<u>\$ 249,923</u>	<u>\$ 160,112</u>	<u>\$ -</u>	<u>\$ 410,035</u>

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)
Net Income/(Loss)	<u>\$ 560,437</u>	<u>\$ 139,393</u>	<u>\$ -</u>	<u>\$ 699,830</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, 2017

	Saksoft	Nanda	Elimination	Total 2017
<u>Cash Flows From Operating Activities</u>				
Net Income	\$ 249,923	\$ 160,112	\$ -	\$ 410,035
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:				
Depreciation Expense	1,960	1,840	-	3,800
<u>(Increase)/Decrease in:</u>				
Accounts Receivable	405,251	109,843	-	515,094
Accounts Receivable - Affiliate	(30,009)	(41,355)	83,554	12,190
Accounts Receivable - Other	1,015	(52,920)	-	(51,905)
Unbilled Revenues	61,108	6,175	-	67,283
Prepaid Expenses	9,839	58,055	-	67,894
Prepaid Income Tax	(1,971)	-	-	(1,971)
Employee Advances	26,684	(500)	-	26,184
Security Deposits	(622)	-	-	(622)
<u>Increase/(Decrease) in:</u>				
Accounts Payable	166,186	(9)	-	166,177
Accounts Payable - Parent Company	(383,780)	32,815	(45,005)	(395,970)
Accounts Payable - Affiliates	134,594	-	(38,549)	96,045
Billings in Excess of Revenues	(86,376)	-	-	(86,376)
Accrued Income Tax Liability	(294,435)	(54,642)	-	(349,077)
Accrued Expenses	(482,192)	(120,112)	-	(602,304)
Net Cash Provided by/(used in) Operating Activities	<u>(222,825)</u>	<u>99,302</u>	<u>-</u>	<u>(123,523)</u>
<u>Cash Flows From Investing Activities</u>				
Purchase of Property, Plant and Equipment	(2,566)	-	-	(2,566)
Net Cash Provided by/(used in) Investing Activities	<u>(2,566)</u>	<u>-</u>	<u>-</u>	<u>(2,566)</u>
<u>Cash Flows From Financing Activities</u>				
Factoring Loan Payable - TAB Bank	-	(48,291)	-	(48,291)
Due to former Shareholders of Nanda Infotech Services, Inc.	(9,402)	-	-	(9,402)
Dividend Distribution to Saksoft	250,000	(250,000)	-	-
Net Cash Provided by/(used in) Financing Activities	<u>240,598</u>	<u>(298,291)</u>	<u>-</u>	<u>(57,693)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	15,207	(198,989)	-	(183,782)
Cash and Cash Equivalents: Beginning of Year	638,707	503,050	-	1,141,757
Cash and Cash Equivalents: End of Year	<u>\$ 653,914</u>	<u>\$ 304,061</u>	<u>\$ -</u>	<u>\$ 957,975</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, 2016

	Saksoft	Nanda	Elimination	Total 2016
<u>Cash Flows From Operating Activities</u>				
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>
<u>Cash Flows From Investing Activities</u>				
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>
<u>Cash Flows From Financing Activities</u>				
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	<u>617,453</u>	<u>309,896</u>	<u>-</u>	<u>927,349</u>
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