

SAKSOFT, INC.

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

MARCH 31, 2019 AND 2018

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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, 2019 and 2018 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, 2019 and 2018, 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 21 to 30) 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

Colonia, New Jersey

May 22, 2019

SAKSOFT, INC.
CONSOLIDATED BALANCE SHEETS
March 31, 2019 and 2018

	2019	2018
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 1,298,204	\$ 916,906
Accounts Receivable, Net of Allowance for Doubtful Debts \$ 89,068 and \$ 58,068	3,734,407	3,783,004
Accounts Receivable - Affiliate	-	-
Accounts Receivable - Other	47,963	38,348
Unbilled Revenues	46,123	41,678
Prepaid Expenses	80,522	112,184
Prepaid Income Tax	-	-
Employee Advances	3,425	9,535
Total Current Assets	5,210,644	4,901,655
<u>Property and Equipment</u>		
Property and Equipment	36,158	36,158
Less: Accumulated Depreciation	(30,360)	(26,705)
Total Property and Equipment	5,798	9,453
<u>Noncurrent Assets</u>		
Deferred Tax Asset	4,332	9,073
Security Deposits	10,276	13,652
Asset Purchase net of Amortization \$353,460 and \$66,508	113,968	400,920
Goodwill	2,056,488	2,896,488
Investments in Subsidiaries	-	-
Total Noncurrent Assets	2,185,064	3,320,133
Total Assets	\$ 7,401,506	\$ 8,231,241
<u>Liabilities and Stockholder's Equity</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 538,074	\$ 431,613
Accounts Payable - Parent Company	899,061	1,012,003
Accounts Payable - Affiliates	691,597	456,515
Billings in Excess of Revenues	-	11,511
Accrued Income Tax Liability	70,826	110,670
Accrued Expenses	688,374	740,388
Due to Former Members	100,000	1,029,535
Total Current Liabilities	2,987,932	3,792,235
<u>Long Term Liabilities</u>		
Loan Payable - Sak Industries Pte Limited	-	1,000,000
Loan Payable - Saksoft Pte Limited	250,000	250,000
Loan Payable - Acuma Solutions Limited	400,000	400,000
Loan Payable - Dreamorbit Inc	300,000	-
Total Long Term Liabilities	950,000	1,650,000
<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	3,268,574	2,594,006
Total Stockholder's Equity	3,463,574	2,789,006
Total Liabilities and Stockholder's Equity	\$ 7,401,506	\$ 8,231,241

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, 2019 and 2018

	2019	2018
<u>Operating Revenues</u>		
Sales Revenues	\$ 18,534,951	\$ 16,242,696
Total Operating Revenues	18,534,951	16,242,696
Cost of Sales (Schedule I)	(16,283,869)	(14,184,081)
Gross Profit/(Loss)	2,251,082	2,058,615
Operating Expenses (Schedule II)	(1,309,631)	(1,114,697)
Income/(Loss) from Operations	941,451	943,918
<u>Other Non-Operating Income/Expenses</u>		
Interest Income/Other	76,061	68,648
Interest Expense	(64,713)	(75,995)
Income/(Loss) before provision for Income Taxes	952,799	936,571
Provision for Income Taxes (Expense)/Benefit	(278,231)	(391,920)
Net Income/(Loss)	\$ 674,568	\$ 544,651

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, 2019 and 2018

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balance at April 1, 2017	\$ 195,000	\$ -	\$ 2,499,355	\$ 2,694,355
<u>Contribution/(Return of Capital)</u>				
Saksoft, Inc.	-	-	-	-
Nanda Infotech Services, Inc.	100	-	-	100
Faichi Solutions Inc	1,469	-	-	-
<u>Elimination</u>				
Saksoft, Inc.	-	-	-	-
Nanda Infotech Services, Inc.	(100)	-	-	(100)
Faichi Solutions Inc	(1,469)	-	-	-
<u>Dividend Distribution</u>				
Saksoft, Inc.	-	-	150,000	150,000
Nanda Infotech Services, Inc.	-	-	(150,000)	(150,000)
Saksoft Ltd - India	-	-	(450,000)	(450,000)
<u>Net Income/(Loss)</u>				
Saksoft, Inc.	-	-	417,444	417,444
Nanda Infotech Services, Inc.	-	-	105,112	105,112
	-	-	22,095	22,095
Balance at April 1, 2018	195,000	-	2,594,006	2,789,006
<u>Contribution/(Return of Capital)</u>				
Saksoft, Inc.	-	-	-	-
Nanda Infotech Services, Inc.	100	-	-	100
Faichi Solutions Inc	1,469	-	-	1,469
<u>Elimination</u>				
Saksoft, Inc.	-	-	-	-
Nanda Infotech Services, Inc.	(100)	-	-	(100)
Faichi Solutions Inc	(1,469)	-	-	(1,469)
<u>Dividend Distribution</u>				
Saksoft, Inc.	-	-	200,000	200,000
Nanda Infotech Services, Inc.	-	-	(200,000)	(200,000)
Saksoft Ltd - India	-	-	-	-
<u>Net Income/(Loss)</u>				
Saksoft, Inc.	-	-	581,898	581,898
Nanda Infotech Services, Inc.	-	-	79,036	79,036
Faichi	-	-	13,634	13,634
Balance at March 31, 2019	\$ 195,000	\$ -	\$ 3,268,574	\$ 3,463,574

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, 2019 and 2018

	2019	2018
<u>Cash Flows From Operating Activities</u>		
Net Income	\$ 674,568	\$ 544,651
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:		
Depreciation/Amortization Expense	290,608	68,499
<u>(Increase)/Decrease in:</u>		
Accounts Receivable	48,597	(487,059)
Accounts Receivable - Affiliate	19,278	98,618
Accounts Receivable - Other	(9,615)	31,986
Unbilled Revenues	(4,445)	(17,964)
Prepaid Expenses	31,662	8,561
Prepaid Income Tax	-	1,971
Employee Advances	6,110	17,783
Deferred Tax Asset	4,741	(9,073)
Security Deposits	3,376	500
<u>Increase/(Decrease) in:</u>		
Accounts Payable	106,460	80,493
Accounts Payable - Parent Company	(98,046)	214,513
Accounts Payable - Affiliates	200,908	317,546
Billings in Excess of Revenues	(11,511)	8,491
Accrued Income Tax Liability	(39,844)	38,804
Accrued Expenses	(52,014)	67,420
Net Cash Provided by/(used in) Operating Activities	1,170,833	985,740
<u>Cash Flows From Investing Activities</u>		
Purchase of Property, Plant and Equipment	-	(385)
Intangible Asset Purchase	-	(467,428)
Investments in Subsidiaries	-	(1,540,000)
Net Cash Provided by/(used in) Investing Activities	-	(2,007,813)
<u>Cash Flows From Financing Activities</u>		
Loan Proceeds received from Dream Orbit Inc	300,000	-
Due to Former Member	(60,294)	1,029,535
Loan Repaid to Sak Industries Pte Limited	(1,029,241)	-
Dividend Distribution to Saksoft India	-	(450,000)
Loan Proceeds received from Acuma	-	400,000
Common Stock- Faichi	-	1,469
Dividend Received by Saksoft Inc from Nanda	200,000	250,000
Dividend paid to Saksoft Inc from Nanda	(200,000)	(250,000)
Net Cash Provided by/(used in) Financing Activities	(789,535)	981,004
Net Increase/(Decrease) in Cash and Cash Equivalents	381,298	(41,069)
Cash and Cash Equivalents: Beginning of Year	916,906	957,975
Cash and Cash Equivalents: End of Year	\$ 1,298,204	\$ 916,906

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

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

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 and elsewhere.

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.

The Company purchased 100 % membership interest of Faichi Solutions LLC. effective January 1, 2018. Faichi is a US company formed in the State of California. Faichi specializes in providing IT services to Healthcare vertical in the USA. As of January 19, 2018, Faichi converted its charter from LLC to Incorporation.

The Company also purchased certain assets of Appdev Masters LLC on October 3, 2017. Details of these purchase agreements are stated elsewhere in the notes.

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, 2019 and 2018. 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.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

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

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. 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, 2019 and 2018, 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, 2019 and 2018, 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. The Company generally does not require collateral or other security in support of 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, 2019 and 2018, 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, 2019 and 2018, 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.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

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

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:

Computers, F&F, & 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, is 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) Intangible Assets and Amortization

Intangible assets other than goodwill that have finite useful life are amortized over the asset's estimated useful life on a straight line basis. Currently, estimated useful life is considered as 36 months for the asset purchase agreements. Intangible assets that have indefinite useful life and goodwill are not amortized; instead, they are subject to impairment test.

i) 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.

j) 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.

k) 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.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

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

l) 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.

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.

m) Advertising

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

n) Subsequent Events

Management considered subsequent events through the date of issuance of this report (May 22, 2019).

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, 2019 and 2018.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

Note 3. Cash and Cash Equivalents (Cont'd)

A summary of the total insured and uninsured cash balances as per bank statements, as of March 31, 2019 and 2018, were as follows:

	<u>2019</u>	<u>2018</u>
Carrying Value	\$ 1,332,919	\$ 981,666
Portion insured by FDIC	<u>343,635</u>	<u>619,640</u>
Portion uninsured by FDIC	<u>\$ 989,284</u>	<u>\$ 362,026</u>

Risk to the Company for the uninsured cash balances is considered minimal. Balances as per books amounted to \$ 1,298,204 and \$916,906 as of March 31, 2019 and 2018 respectively.

Note 4. Accounts Receivable

Accounts receivable include billing done for professional services provided to several customers. As of March 31, 2019 and 2018, it amounted to \$3,734,407 and \$ 3,783,004 respectively. Four customers owed a total of 43% of the accounts receivable as of March 31, 2019. These included four customers from Saksoft. Sales to four customers accounted for 52 % of the total sales for the year ended March 31, 2019. Similarly, four customers owed a total of 46% of the accounts receivable as of March 31, 2018. These included the four customers from Saksoft. Sales to four customers accounted for 56% of total sales for the year ended March 31, 2018. 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. The following amounts represent allowance for Doubtful Debts as of March 31, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Saksoft Inc	\$ 60,952	\$ 29,952
Nanda Infotech Services Inc	28,116	28,116
Faichi Inc	<u>-</u>	<u>-</u>
	<u>\$ 89,068</u>	<u>\$ 58,068</u>

Bad debt write off amounted to \$ -0- and \$-0-, respectively, for the years ended March 31, 2019 and 2018. Provision for Doubtful Debts recorded during the year ended March 31, 2019 and 2018 amounted to \$31,000 and \$-0-, respectively. The Company was pursuing legal collection action against one customer who owed \$145,612 as of March 31, 2018. The company collected the amount in full, including interest and legal fees during the year ended March 31, 2019.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

Note 5. Accounts Receivable - Affiliate

The Company and its subsidiary Nanda have inter-company transactions for services rendered as well as expenses incurred. Nanda owed the Company \$ 19,220 and \$ -0- respectively, as of March 31, 2019 and 2018. The Company owed Nanda \$-0- and \$34,174 respectively, as of March 31, 2019 and 2018. These 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 \$47,963 and \$38,348 as of March 31, 2019 and 2018, respectively. The balances include Nanda's receivable of \$ 26,732 and \$ 17,227 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. As of March 31, 2019 and 2018, unbilled revenues amounted to the following:

	<u>2019</u>	<u>2018</u>
Unbilled Revenues	\$ 46,123	\$ 41,678

Note 8. Prepaid Expenses

Prepaid expenses are primarily composed of insurance, immigration costs and other expenses such as license and fees which are paid in advance of the coverage period. As of March 31, 2019 and 2018, prepaid expenses amounted to the following:

	<u>2019</u>	<u>2018</u>
Insurance	13,314	19,723
Others/ Immigration Costs	67,208	92,461
Total	\$ 80,522	\$ 112,184

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 9. Deferred Tax Asset

As of March 31, 2019 and 2018, deferred tax assets were recorded in the amounts of \$ 4,332 and \$ 9,073, respectively to reflect the timing differences between income tax as per books and tax returns.

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, 2019 and 2018, employee advances amounted to \$ 3,425 and \$ 9,535, 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 5 years. They are depreciated using a straight line method. As of March 31, 2019 and 2018, property and equipment consisted of the following:

	<u>2019</u>	<u>2018</u>
Computer Equipment	\$ 12,790	\$ 12,790
Office Equipment/Furniture	11,613	11,613
Leasehold Improvements	11,755	11,755
Less: Accumulated Depreciation	(30,360)	(26,705)
Total	<u>\$ 5,798</u>	<u>\$ 9,453</u>

Depreciation expense for the years ended March 31, 2019 and 2018 was \$3,656 and \$ 1,991, 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, 2019 and 2018, the balances amounted to \$10,276 and \$ 13,652, respectively.

Note 13. Intangible Asset Purchase

On October 3, 2017, the Company purchased certain customer agreements from Appdev Masters LLC. These customer agreements are intangible assets with finite life. The acquisition costs amounted to \$467,428. The cost is amortized over 36 months on a straight line basis.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

Note 13. Intangible Asset Purchase (Cont'd)

Some of these customer agreements with an initial cost of \$ 262,288 became worthless during the year resulting in complete write down of these intangible asset values. During the fiscal years ended March 31, 2019 and 2018, amortization expense amounted to \$286,952 and \$66,508 respectively, including the write down described above. The accumulated amortization amount and the net book value were \$353,460 and \$113,968 as of March 31, 2019 and \$66,508 and \$400,920 as of March 31, 2018 respectively.

Amortization expense for the remaining intangible assets for the next two years is estimated as follows:

March 31, 2020	\$ 68,380
March 31, 2021	45,588

Total	\$ 113,968
	=====

Note 14. Goodwill/ Investments in Subsidiaries

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, 2019, the overall acquisition costs amounted to \$ 1,666,110 and Nanda's equity was \$ 433,153, resulting in goodwill valuation of \$ 1,232,957. Nanda's goodwill related to its business amounted to \$ 125,000.

As of January 1, 2018, the Company acquired 100 % membership interest of Faichi Solutions LLC, from its two members. The purchase price at the time of closing was \$600,000. The former members are required to work in Faichi in the capacity of managers and support the business development in order to be eligible for the earn-outs recorded in the books as of March 31, 2018. However, the former members left the employment earlier than agreed upon, thereby forfeiting \$840,000 earn-outs out of the total of \$940,000. The remaining balance owed to them as of March 31, 2019 was \$100,000. The total amount of the intangible goodwill was reduced by \$840,000 resulting in reduced valuation of \$ 700,000 as of March 31, 2019.

The total goodwill in the consolidated financial statements as of March 31, 2019 and 2018 amounted to \$ 2,056,488 and \$ 2,896,488 respectively. Total amounts due to former members due to various acquisitions amounted to \$100,000 and \$ 1,029,535 as of March 31, 2019 and 2018, respectively.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

Note 14. Goodwill/ Investments in Subsidiaries (Cont'd)

The Company has not elected to apply the accounting alternative for goodwill, therefore, goodwill is not amortized. Generally accepted accounting principles as codified by Financial Accounting Standards Board, therefore, require that goodwill and other un-amortizable intangible assets are not 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, 2019 and 2018 and deemed that no impairment occurred as of March 31, 2019 and 2018.

Saksoft did not make any contributions to Nanda for the years ended March 31, 2019 and 2018. 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, 2019 and 2018, the balances amounted to \$ 538,074 and \$ 431,613 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, 2019 and 2018, accounts payable – parent company amounted to \$ 899,061 and \$ 1,012,003 respectively.

Note 17. Accounts Payable – Affiliates

Accounts payable – Affiliates consisted of balances due to related companies such as Three Sixty Logica and Dream Orbit for services rendered and reimbursement of expenses incurred. As of March 31, 2019 and 2018, accounts payable- Affiliates amounted to \$ 691,597 and \$ 456,515 respectively.

Note 18. 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, 2019 and 2018, billings in excess of revenues, is as follows:

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

Note 18. Billings in Excess of Revenues (Cont'd)

	<u>2019</u>	<u>2018</u>
Billings in Excess of Revenues	<u>\$ -</u>	<u>\$ 11,511</u>

Note 19. 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, 2019 and 2018, they amounted to \$ 70,826 and \$ 110,670, respectively.

Note 20. 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, 2019 and 2018, accrued expenses amounted to \$ 688,374 and \$ 740,388 respectively.

Note 21. Factoring Loan Payable – TAB Bank

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, 2019, the discount rate was 7.0%. 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. As of March 31, 2019 and 2018, TAB Bank owed Nanda \$26,732 and \$ 17,227, which are therefore, included under Accounts Receivable-Other.

Note 22. 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, 2019 was accrued as of March 31, 2019. The interest expense for the years ended March 31, 2019 and 2018 was \$ 18,426 and \$ 50,005, respectively. As of March 31, 2019 and 2018, loan payable to Sak Industries Pte Ltd amounted to \$ -0- and \$1,000,000 respectively. This loan was renewed and then repaid in full in August 2018.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

Note 23. 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, 2019 and 2018, amounted to \$ 12,501 and \$ 12,501 respectively. During the current year, no payments were made towards principal balance on loan. As of March 31, 2019 and 2018, loan payable to Saksoft Pte Limited amounted to \$ 250,000 and \$ 250,000, respectively.

Note 24. Loan Payable – Acuma Solutions Limited

Saksoft borrowed \$ 400,000 from Acuma Solutions Limited, UK, a related company on January 3, 2018, payable in three years. The loan is subject to 3% interest per annum. Presently, the loan requires interest only payments on a quarterly basis. The interest expense for the years ended March 31, 2019 and 2018 amounted to \$15,717 and \$2,893. During the current year, no payments were made towards principal balance on loan. As of March 31, 2019 and 2018, loan payable to Acuma Solutions Limited amounted to \$ 400,000 and \$ 400,000, respectively.

Note 25. Loan Payable – Dreamorbit Inc

Saksoft borrowed \$ 300,000 from Dreamorbit Inc, USA a related company on August 17, 2018, payable in maximum time period of three years. The loan is subject to 5% interest per annum. Presently, the loan requires interest only payments on a quarterly basis. The interest expense for the year ended March 31, 2019 amounted to \$9,329. During the current year, no payments were made towards principal balance on loan. As of March 31, 2019, loan payable to Dreamorbit Inc amounted to \$ 300,000.

Note 26. 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, 2019 and 2018, consisted of the following:

	<u>2019</u>	<u>2018</u>
Federal Tax Expense	\$ 182,291	\$ 293,868
Add/ (Less) Deferred Tax	4,741	(9,073)
State Tax Expense	91,199	107,125
Total	<u>\$ 278,231</u>	<u>\$ 391,920</u>

Deferred tax asset amounted to \$ 4,332 and \$ 9,073 as of March 31, 2019 and 2018, respectively. A number of the Company's tax returns remain subject to examination by taxing authorities. These include U.S. federal and state tax returns for three years.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

Note 27. 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 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, 2019 and 2018, Saksoft-India and other related companies together billed \$ 8,052,516 and \$ 6,187,513, respectively for off-shore consulting services, marketing and travel related expenses as well as management and accounting services to Saksoft.

Accounts Payable due to Saksoft-India as of March 31, 2019 and 2018 were \$ 899,061 and \$ 1,012,003, 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 \$-0- and \$77,400 between Nanda and Saksoft were eliminated, for the years ended March 31, 2019 and 2018, respectively. Also, receivable and payable between Saksoft and Nanda in the amounts of \$19,220 and \$ 38,498 were eliminated during consolidation as of March 31, 2019 and 2018, 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 till August 31, 2021. The Company's lease at the Chicago, Illinois location was renewed as virtual office till December 31, 2019. 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.

Nanda's office lease in Bensalem, Pennsylvania was automatically renewed for another year till March 31, 2020. For the years ended March 31, 2019 and 2018, total consolidated rent expenses amounted \$155,373 and \$ 165,590, respectively. Future remaining minimum lease payments including utilities on the New York office lease are as follows:

Year ending	<u>Amount</u>
31-Mar-20	\$ 72,000
Total	<u>\$ 72,000</u>

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

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

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

Year Ending:	<u>Amount</u>
March 31, 2020	62,113
March 31, 2021	63,883
March 31, 2022 (till Aug 31, 2021)	27,020
	<u>153,016</u>

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

Year Ending:	<u>Amount</u>
March 31, 2020 (till Dec 31, 2019)	<u>1,936</u>

Future remaining minimum lease payments including utilities on the California virtual office lease are as follows:

March 31, 2020 (till Sep 30, 2019)	<u>\$1,422</u>
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Future minimum lease payments on Nanda's Bensalem, PA office lease are as follows:

March 31, 2020	<u>\$9,900</u>
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Note 30. Subsequent Events

No significant subsequent events occurred between March 31, 2019 and May 22, 2019, the date of signing of the report, in order to warrant changes to the report.

Note 31. Foreign Operations

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

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

Note 32. Concentration

The Company and its subsidiaries maintain their cash in bank deposit accounts located in the USA, 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, 2019 and 2018, uninsured cash balances amounted to \$ 989,284 and \$ 362,026, respectively (as shown in Note 3). Business concentrations relating to sales and accounts receivable were discussed in detail in Note 4.

Note 33. Interest and Taxes

Cash paid on interest and taxes, for the years ended March 31, 2019 and 2018, amounted to the following:

	<u>2019</u>	<u>2018</u>
Income Taxes	\$ 318,075	\$ 338,273
Interest	70,759	70,504
Total	<u>\$ 388,834</u>	<u>\$ 408,777</u>

SAKSOFT, INC.
SCHEDULE I - CONSOLIDATING COST OF SALES
For the Year Ended March 31, 2019

	Saksoft	Nanda	Faichi	Elimination	Total 2019
<u>Costs of Sales</u>					
Payroll Expenses & Related Taxes	\$ 3,456,431	\$ 1,624,838	\$ -	\$ -	\$ 5,081,269
Intercompany Software Services	7,560,293	-	192,423	-	7,752,716
Consulting & Other Expenses	3,303,977	145,907	-	-	3,449,884
 Total Cost of Sales	 \$ 14,320,701	 \$ 1,770,745	 \$ 192,423	 \$ -	 \$ 16,283,869

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, 2018

	Saksoft	Nanda	Faichi	Elimination	Total 2018
<u>Costs of Sales</u>					
Payroll Expenses & Related Taxes	\$ 3,638,706	\$ 1,900,374	\$ -	\$ -	\$ 5,539,080
Intercompany Software Services	5,747,829	-	217,084	(77,400)	5,887,513
Consulting & Other Expenses	2,700,190	57,298	-	-	2,757,488
 Total Cost of Sales	 \$ 12,086,725	 \$ 1,957,672	 \$ 217,084	 \$ (77,400)	 \$ 14,184,081

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, 2019

	Saksoft	Nanda	Faichi	Elimination	Total 2019
<u>Operating Expenses</u>					
Professional Fees	\$ 134,646	\$ 57,194	\$ -	\$ -	\$ 191,840
Professional Fees - Affiliate	300,000	-	-	-	300,000
Amortization	286,952	-	-	-	286,952
Business Promotion/ Travel Expenses	1,575	-	1,826	-	3,401
Employee Benefits	100,651	27,202	-	-	127,853
Rent	143,137	9,900	2,336	-	155,373
Dues and Subscriptions	41,866	8,171	7,188	-	57,225
Insurance	32,731	13,580	-	-	46,311
Telephone	63,615	3,902	661	-	68,178
Bank Service Charges	3,153	475	508	-	4,136
Staff Events	9,145	-	-	-	9,145
Recruitment Expenses	881	-	-	-	881
Depreciation	1,816	1,840	-	-	3,656
Postage and Delivery	4,779	112	-	-	4,891
Allowance for doubtful debts	31,000	-	16,401	-	47,401
Printing and Reproduction	988	-	-	-	988
Office Supplies and Expenses	1,372	28	-	-	1,400
Total Operating Expenses	<u>\$ 1,158,307</u>	<u>\$ 122,404</u>	<u>\$ 28,920</u>	<u>\$ -</u>	<u>\$ 1,309,631</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, 2018

	Saksoft	Nanda	Faichi	Elimination	Total 2018
Operating Expenses					
Professional Fees	\$ 156,190	\$ 51,037	\$ -	\$ -	\$ 207,227
Professional Fees - Affiliate	300,000	-	-	-	300,000
Amortization	66,508	-	-	-	66,508
Travel Expenses	36,955	-	4,305	-	41,260
Employee Benefits	108,668	47,021	-	-	155,689
Rent	155,438	9,900	252	-	165,590
Dues and Subscriptions	38,272	5,140	775	-	44,187
Insurance	48,208	14,362	-	-	62,570
Telephone	41,200	6,484	1,133	-	48,817
Bank Service Charges	6,470	669	-	-	7,139
Staff Events	7,011	-	-	-	7,011
Recruitment Expenses	2,567	-	-	-	2,567
Depreciation	1,991	-	-	-	1,991
Postage and Delivery	2,781	185	-	-	2,966
Printing and Reproduction	679	-	-	-	679
Office Supplies and Expenses	441	55	-	-	496
Total Operating Expenses	\$ 973,379	\$ 134,853	\$ 6,465	\$ -	\$ 1,114,697

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

SAKSOFT, INC.
SCHEDULE III - CONSOLIDATING BALANCE SHEETS
March 31, 2019

	Saksoft	Nanda	Faichi	Elimination	Total 2019
Assets					
<u>Current Assets</u>					
Cash and Cash Equivalents	\$ 1,208,594	\$ 43,515	\$ 46,095	\$ -	\$ 1,298,204
Accounts Receivable, Net of Allowance for Doubtful Debts \$60,952, \$28,116 and -0-	2,980,227	754,180	-	-	3,734,407
Accounts Receivable - Affiliate	19,220	-	-	(19,220)	-
Accounts Receivable - Other	14,442	33,521	-	-	47,963
Unbilled Revenues	46,123	-	-	-	46,123
Prepaid Expenses	80,522	-	-	-	80,522
Prepaid Income Tax	-	-	-	-	-
Employee Advances/ Other Receivable	3,425	-	-	-	3,425
Total Current Assets	4,352,553	831,216	46,095	(19,220)	5,210,644
<u>Property and Equipment</u>					
Property and Equipment	23,280	12,878	-	-	36,158
Less: Accumulated Depreciation	(20,700)	(9,660)	-	-	(30,360)
Total Property and Equipment	2,580	3,218	-	-	5,798
<u>Noncurrent Assets</u>					
Deferred Tax Asset	4,332	-	-	-	4,332
Security Deposits	6,956	3,320	-	-	10,276
Intangible Asset Purchase net of Accumulated Amortization	113,968	-	-	-	113,968
Goodwill	-	125,000	-	1,931,488	2,056,488
Investments in Subsidiaries	2,366,110	-	-	(2,366,110)	-
Total Noncurrent Assets	2,491,366	128,320	-	(434,622)	2,185,064
Total Assets	\$ 6,846,499	\$ 962,754	\$ 46,095	\$ (453,842)	\$ 7,401,506
Liabilities and Stockholder's Equity					
<u>Current Liabilities</u>					
Accounts Payable	\$ 538,074	\$ -	-	\$ -	\$ 538,074
Accounts Payable - Parent Company	899,061	19,220	-	(19,220)	899,061
Accounts Payable - Affiliates	691,597	-	-	-	691,597
Billings in Excess of Revenues	-	-	-	-	-
Accrued Income Tax Liability	33,085	28,844	8,897	-	70,826
Accrued Expenses	405,083	283,291	-	-	688,374
Due to Former Members	100,000	-	-	-	100,000
Factoring Loan Payable - TAB Bank	-	-	-	-	-
Total Current Liabilities	2,666,900	331,355	8,897	(19,220)	2,987,932
<u>Long Term Liabilities</u>					
Loan Payable - Sak Industries Pte Limited	-	-	-	-	-
Loan Payable - Saksoft Pte Limited	250,000	-	-	-	250,000
Loan Payable - Acuma Solutions Limited	400,000	-	-	-	400,000
Loan Payable - Dreamorbit Inc	300,000	-	-	-	300,000
Total Long Term Liabilities	950,000	-	-	-	950,000
<u>Stockholder's Equity</u>					
Common Stock - Authorized 1,000,000 Shares, no par value, and Issued 195,000 Shares	195,000	100	1,469	(1,569)	195,000
Additional Paid-In Capital	-	-	-	-	-
Retained Earnings	3,034,599	631,299	35,729	(433,053)	3,268,574
Total Stockholder's Equity	3,229,599	631,399	37,198	(434,622)	3,463,574
Total Liabilities and Stockholder's Equity	\$ 6,846,499	\$ 962,754	\$ 46,095	\$ (453,842)	\$ 7,401,506

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

SAKSOFT, INC.
SCHEDULE III - CONSOLIDATING BALANCE SHEETS
March 31, 2018

	Saksoft	Nanda	Faichi	Elimination	Total 2018
Assets					
<u>Current Assets</u>					
Cash and Cash Equivalents	\$ 551,026	\$ 260,213	\$ 105,667	\$ -	\$ 916,906
Accounts Receivable, Net of Allowance for Doubtful Debts \$29,952, \$28,116 and \$0-	2,916,157	680,847	186,000	-	3,783,004
Accounts Receivable - Affiliate	4,324	34,174	-	(38,498)	-
Accounts Receivable - Other	14,625	23,723	-	-	38,348
Unbilled Revenues	38,078	-	3,600	-	41,678
Prepaid Expenses	108,748	3,436	-	-	112,184
Prepaid Income Tax	-	-	-	-	-
Employee Advances	9,535	-	-	-	9,535
Total Current Assets	3,642,493	1,002,393	295,267	(38,498)	4,901,655
<u>Property and Equipment</u>					
Property and Equipment	23,280	12,878	-	-	36,158
Less: Accumulated Depreciation	(18,885)	(7,820)	-	-	(26,705)
Total Property and Equipment	4,395	5,058	-	-	9,453
<u>Noncurrent Assets</u>					
Deferred Tax Asset	9,073	-	-	-	9,073
Security Deposits	10,332	3,320	-	-	13,652
Intangible Asset Purchase net of Accumulated Amortization	400,920	-	-	-	400,920
Goodwill	-	125,000	-	2,771,488	2,896,488
Investments in Subsidiaries	3,206,110	-	-	(3,206,110)	-
Total Noncurrent Assets	3,626,435	128,320	-	(434,622)	3,320,133
Total Assets	\$ 7,273,323	\$ 1,135,771	\$ 295,267	\$ (473,120)	\$ 8,231,241
Liabilities and Stockholder's Equity					
<u>Current Liabilities</u>					
Accounts Payable	\$ 322,527	\$ 1,614	107,472	\$ -	\$ 431,613
Accounts Payable - Parent Company	896,180	-	120,147	(4,324)	1,012,003
Accounts Payable - Affiliates	490,689	-	-	(34,174)	456,515
Billings in Excess of Revenues	11,511	-	-	-	11,511
Accrued Income Tax Liability	29,857	65,970	14,843	-	110,670
Accrued Expenses	424,564	315,824	-	-	740,388
Due to Former Members	1,000,294	-	29,241	-	1,029,535
Factoring Loan Payable - TAB Bank	-	-	-	-	-
Total Current Liabilities	3,175,622	383,408	271,703	(38,498)	3,792,235
<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
Loan Payable - Acuma Solutions Limited	400,000	-	-	-	400,000
Total Long Term Liabilities	1,650,000	-	-	-	1,650,000
<u>Stockholder's Equity</u>					
Common Stock - Authorized 1,000,000 Shares, no par value, and Issued 195,000 Shares	195,000	100	1,469	(1,569)	195,000
Additional Paid-In Capital	-	-	-	-	-
Retained Earnings	2,252,701	752,263	22,095	(433,053)	2,594,006
Total Stockholder's Equity	2,447,701	752,363	23,564	(434,622)	2,789,006
Total Liabilities and Stockholder's Equity	\$ 7,273,323	\$ 1,135,771	\$ 295,267	\$ (473,120)	\$ 8,231,241

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, 2019

	Saksoft	Nanda	Faichi	Elimination	Total 2019
<u>Operating Revenues</u>					
Sales Revenues	\$ 16,287,724	\$ 2,009,192	\$ 238,035		\$ 18,534,951
Total Operating Revenues	16,287,724	2,009,192	238,035	-	18,534,951
Cost of Sales (Schedule I)	(14,320,701)	(1,770,745)	(192,423)		(16,283,869)
Gross Profit/(Loss)	1,967,023	238,447	45,612	-	2,251,082
Operating Expenses (Schedule II)	(1,158,307)	(122,404)	(28,920)	-	(1,309,631)
Income/(Loss) from Operations	808,716	116,043	16,692	-	941,451
<u>Other Non-Operating Income/Expenses</u>					
Interest / Other income	73,683	-	2,378		76,061
Interest Expense	(55,973)	(8,740)	-	-	(64,713)
Income/(Loss) before provision for Income Taxes	826,426	107,303	19,070	-	952,799
Provision for Income Taxes (Expense)/Benefit	(244,528)	(28,267)	(5,436)	-	(278,231)
Net Income/(Loss)	\$ 581,898	\$ 79,036	\$ 13,634	\$ -	\$ 674,568

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, 2018

	Saksoft	Nanda	Faichi	Elimination	Total 2018
<u>Operating Revenues</u>					
Sales Revenues	\$ 13,785,998	\$ 2,273,558	\$ 260,540	\$ (77,400)	\$ 16,242,696
Total Operating Revenues	13,785,998	2,273,558	260,540	(77,400)	16,242,696
Cost of Sales (Schedule I)	(12,086,725)	(1,957,672)	(217,084)	77,400	(14,184,081)
Gross Profit/(Loss)	1,699,273	315,886	43,456	-	2,058,615
Operating Expenses (Schedule II)	(973,379)	(134,853)	(6,465)	-	(1,114,697)
Income/(Loss) from Operations	725,894	181,033	36,991	-	943,918
<u>Other Non-Operating Income/Expenses</u>					
Interest / Other income	68,648	-	-	-	68,648
Interest Expense	(65,399)	(10,596)	-	-	(75,995)
Income/(Loss) before provision for Income Taxes	729,143	170,437	36,991	-	936,571
Provision for Income Taxes (Expense)/Benefit	(311,699)	(65,325)	(14,896)	-	(391,920)
Net Income/(Loss)	\$ 417,444	\$ 105,112	\$ 22,095	\$ -	\$ 544,651

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, 2019

	Saksoft	Nanda	Faichi	Elimination	Total 2019
<u>Cash Flows From Operating Activities</u>					
Net Income	\$ 581,898	\$ 79,036	\$ 13,634	\$ -	\$ 674,568
Adjustment to Reconcile Changes in Net Income to Net					
Cash Provided by/(used in) Operating Activities:					
Depreciation/Amortization Expense	288,768	1,840	-	-	290,608
<u>(Increase)/Decrease in:</u>					
Accounts Receivable	(64,070)	(73,333)	186,000	-	48,597
Accounts Receivable - Affiliate	(14,896)	34,174	-	-	19,278
Accounts Receivable - Other	183	(9,798)	-	-	(9,615)
Unbilled Revenues	(8,045)	-	3,600	-	(4,445)
Prepaid Expenses	28,226	3,436	-	-	31,662
Prepaid Income Tax	-	-	-	-	-
Employee Advances	6,110	-	-	-	6,110
Deferred Tax Asset	4,741	-	-	-	4,741
Security Deposits	3,376	-	-	-	3,376
<u>Increase/(Decrease) in:</u>					
Accounts Payable	215,546	(1,614)	(107,472)	-	106,460
Accounts Payable - Parent Company	2,881	19,220	(120,147)	-	(98,046)
Accounts Payable - Affiliates	200,908	-	-	-	200,908
Billings in Excess of Revenues	(11,511)	-	-	-	(11,511)
Accrued Income Tax Liability	3,228	(37,126)	(5,946)	-	(39,844)
Accrued Expenses	(19,481)	(32,533)	-	-	(52,014)
Net Cash Provided by/(used in) Operating Activities	<u>1,217,862</u>	<u>(16,698)</u>	<u>(30,331)</u>	<u>-</u>	<u>1,170,833</u>
<u>Cash Flows From Investing Activities</u>					
Purchase of Property, Plant and Equipment	-	-	-	-	-
Investments in Subsidiaries	-	-	-	-	-
Net Cash Provided by/(used in) Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Cash Flows From Financing Activities</u>					
Payments to Former Members of Faichi	(60,294)	-	-	-	(60,294)
Loan Repaid to Sak Industries Pte Limited	(1,000,000)	-	(29,241)	-	(1,029,241)
Dividend Distribution to Saksoft	200,000	(200,000)	-	-	-
Loan Proceeds received from Dream Orbit Inc	300,000	-	-	-	300,000
Dividend Distribution to Saksoft India	-	-	-	-	-
Net Cash Provided by/(used in) Financing Activities	<u>(560,294)</u>	<u>(200,000)</u>	<u>(29,241)</u>	<u>-</u>	<u>(789,535)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	657,568	(216,698)	(59,572)	-	381,298
Cash and Cash Equivalents: Beginning of Year	551,026	260,213	105,667	-	916,906
Cash and Cash Equivalents: End of Year	<u>\$ 1,208,594</u>	<u>\$ 43,515</u>	<u>\$ 46,095</u>	<u>\$ -</u>	<u>\$ 1,298,204</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, 2018

	Saksoft	Nanda	Faichi	Elimination	Total 2018
<u>Cash Flows From Operating Activities</u>					
Net Income	\$ 417,444	\$ 105,112	\$ 22,095	\$ -	\$ 544,651
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:					
Depreciation/Amortization Expense	68,499	-	-	-	68,499
<u>(Increase)/Decrease in:</u>					
Accounts Receivable	(304,218)	3,159	(186,000)	-	(487,059)
Accounts Receivable - Affiliate	25,685	4,375	-	68,558	98,618
Accounts Receivable - Other	1,139	30,847	-	-	31,986
Unbilled Revenues	(14,364)	-	(3,600)	-	(17,964)
Prepaid Expenses	(455)	9,016	-	-	8,561
Prepaid Income Tax	1,971	-	-	-	1,971
Employee Advances	17,283	500	-	-	17,783
Deferred Tax Asset	(9,073)	-	-	-	(9,073)
Security Deposits	500	-	-	-	500
<u>Increase/(Decrease) in:</u>					
Accounts Payable	(26,979)	-	107,472	-	80,493
Accounts Payable - Parent Company	154,384	(30,009)	120,147	(30,009)	214,513
Accounts Payable - Affiliates	356,095	-	-	(38,549)	317,546
Billings in Excess of Revenues	(6,352)	-	14,843	-	8,491
Accrued Income Tax Liability	29,857	8,947	-	-	38,804
Accrued Expenses	93,215	(25,795)	-	-	67,420
Net Cash Provided by/(used in) Operating Activities	<u>804,631</u>	<u>106,152</u>	<u>74,957</u>	<u>-</u>	<u>985,740</u>
<u>Cash Flows From Investing Activities</u>					
Purchase of Property, Plant and Equipment	(385)	-	-	-	(385)
Intangible Asset Purchase	(467,428)	-	-	-	(467,428)
Investments in Subsidiaries	(1,540,000)	-	-	-	(1,540,000)
Net Cash Provided by/(used in) Investing Activities	<u>(2,007,813)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,007,813)</u>
<u>Cash Flows From Financing Activities</u>					
Common Stock	-	-	1,469	-	1,469
Due to Former Member	1,000,294	-	29,241	-	1,029,535
Dividend Distribution to Saksoft	150,000	(150,000)	-	-	-
Loan Proceeds received from Acuma	400,000	-	-	-	400,000
Dividend Distribution to Saksoft India	(450,000)	-	-	-	(450,000)
Net Cash Provided by/(used in) Financing Activities	<u>1,100,294</u>	<u>(150,000)</u>	<u>30,710</u>	<u>-</u>	<u>981,004</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(102,888)	(43,848)	105,667	-	(41,069)
Cash and Cash Equivalents: Beginning of Year	653,914	304,061	-	-	957,975
Cash and Cash Equivalents: End of Year	<u>\$ 551,026</u>	<u>\$ 260,213</u>	<u>\$ 105,667</u>	<u>\$ -</u>	<u>\$ 916,906</u>

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