

SAKSOFT, INC.

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

MARCH 31, 2021 AND 2020

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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, 2021 and 2020 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.

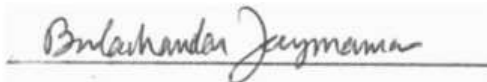
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2021 and 2020, 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 20, 2021

SAKSOFT, INC.
CONSOLIDATED BALANCE SHEETS
March 31, 2021 and 2020

	2021	2020
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 2,221,886	\$ 792,830
Accounts Receivable, Net of Allowance for Doubtful Debts \$ 139,860 and \$ 97,627	3,119,774	3,108,938
Accounts Receivable - Affiliate	-	-
Accounts Receivable - Other	275,166	197,518
Unbilled Revenues	108,058	46,124
Prepaid Expenses	25,086	50,963
Prepaid Income Tax	6,184	21,779
Employee Advances	-	1,440
Total Current Assets	5,756,154	4,219,592
<u>Property and Equipment</u>		
Property and Equipment	38,636	38,636
Less: Accumulated Depreciation	(36,608)	(33,895)
Total Property and Equipment	2,028	4,741
<u>Noncurrent Assets</u>		
Deferred Tax Asset	92,898	29,256
Security Deposits	10,276	10,276
Asset Purchase net of Amortization	-	-
Goodwill	2,056,488	2,056,488
Investments in Subsidiaries	-	-
Total Noncurrent Assets	2,159,662	2,096,020
Total Assets	\$ 7,917,844	\$ 6,320,353
 <u>Liabilities and Stockholder's Equity</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 706,903	\$ 396,228
Accounts Payable - Parent Company	742,325	389,348
Accounts Payable - Affiliates	563,132	788,756
Billings in Excess of Revenues	8,400	1,869
Accrued Income Tax Liability	104,590	86,627
Accrued Expenses	810,843	647,191
Due to Former Member	-	100,000
Paycheck Protection Program (PPP) (Loan)	887,500	-
Factoring Loan Payable - TAB Bank	-	-
Total Current Liabilities	3,823,693	2,410,019
<u>Long Term Liabilities</u>		
Loan Payable - Sak Industries Pte Limited	-	-
Loan Payable - Saksoft Pte Limited	-	-
Loan Payable - Acuma Solutions Limited	-	-
Loan Payable - Dreamorbit Inc	-	-
Total Long Term Liabilities	-	-
<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	3,899,151	3,715,334
Total Stockholder's Equity	4,094,151	3,910,334
Total Liabilities and Stockholder's Equity	\$ 7,917,844	\$ 6,320,353

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, 2021 and 2020

	2021	2020
<u>Operating Revenues</u>		
Sales Revenues	\$ 16,409,124	\$ 16,244,457
Total Operating Revenues	16,409,124	16,244,457
Cost of Sales (Schedule I)	(15,280,203)	(14,815,148)
Gross Profit/(Loss)	1,128,921	1,429,309
Operating Expenses (Schedule II)	(936,120)	(927,092)
Income/(Loss) from Operations	192,801	502,217
<u>Other Non-Operating Income/Expenses</u>		
Other Income/ Reimbursements	73,365	118,925
Interest Expense	(7,957)	(23,345)
Income/(Loss) before provision for Income Taxes	258,209	597,797
Provision for Income Taxes (Expense)/Benefit	(74,392)	(151,037)
Net Income/(Loss)	\$ 183,817	\$ 446,760

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, 2021 and 2020

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balance at April 1, 2019	\$ 195,000	\$ -	\$ 3,268,574	\$ 3,463,574
<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.	-	-	-	-
Nanda Infotech Services, Inc.	-	-	-	-
Saksoft Ltd - India	-	-	-	-
<u>Net Income/(Loss)</u>				
Saksoft, Inc.	-	-	315,183	315,183
Nanda Infotech Services, Inc.	-	-	131,577	131,577
	-	-	-	-
Balance at April 1, 2020	195,000	-	3,715,334	3,910,334
<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.	-	-	-	-
Nanda Infotech Services, Inc.	-	-	-	-
Saksoft Ltd - India	-	-	-	-
<u>Net Income/(Loss)</u>				
Saksoft, Inc.	-	-	177,564	177,564
Nanda Infotech Services, Inc.	-	-	7,053	7,053
Faichi	-	-	(800)	(800)
Balance at March 31, 2021	\$ 195,000	\$ -	\$ 3,899,151	\$ 4,094,151

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, 2021 and 2020

	2021	2020
<u>Cash Flows From Operating Activities</u>		
Net Income	\$ 183,817	\$ 446,760
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:		
Depreciation/Amortization Expense	2,712	117,503
<u>(Increase)/Decrease in:</u>		
Accounts Receivable	(10,836)	625,469
Accounts Receivable - Affiliate	(13,828)	(18,943)
Accounts Receivable - Other	(43,670)	(149,555)
Unbilled Revenues	(61,934)	(1)
Prepaid Expenses	25,878	29,559
Prepaid Income Tax	15,595	(21,779)
Employee Advances	1,440	1,985
Deferred Tax Asset	(63,642)	(24,924)
Security Deposits	-	-
<u>Increase/(Decrease) in:</u>		
Accounts Payable	310,675	(141,846)
Accounts Payable - Parent Company	354,133	(490,770)
Accounts Payable - Affiliates	(212,952)	97,159
Billings in Excess of Revenues	6,531	1,869
Accrued Income Tax Liability	17,963	15,801
Accrued Expenses	163,652	(41,183)
Net Cash Provided by/(used in) Operating Activities	675,534	447,104
<u>Cash Flows From Investing Activities</u>		
Purchase of Property, Plant and Equipment	-	(2,478)
Intangible Asset Purchase	-	-
Investments in Subsidiaries	-	-
Net Cash Provided by/(used in) Investing Activities	-	(2,478)
<u>Cash Flows From Financing Activities</u>		
Loan Proceeds received from Dream Orbit Inc	(33,978)	(300,000)
Due to Former Member	(100,000)	-
Paycheck Protection Program (PPP) Loan	887,500	-
Dividend Distribution to Saksoft India	-	-
Loan Proceeds received from Saksoft Pte Limited	-	(250,000)
Loan Proceeds received from Acuma	-	(400,000)
Common Stock- Faichi	-	-
Dividend Received by Saksoft Inc from Nanda	-	-
Dividend paid to Saksoft Inc from Nanda	-	-
Net Cash Provided by/(used in) Financing Activities	753,522	(950,000)
Net Increase/(Decrease) in Cash and Cash Equivalents	1,429,056	(505,374)
Cash and Cash Equivalents: Beginning of Year	792,830	1,298,204
Cash and Cash Equivalents: End of Year	\$ 2,221,886	\$ 792,830
Supplementary Disclosure:		
Cash paid for income taxes	\$ 73,826	\$ 179,677
Cash paid for interest	\$ 7,953	\$ 23,898

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

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

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, 2021 and 2020. 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, 2021 AND 2020

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, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020, 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, 2021 AND 2020

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. Unbilled revenues represent accounts receivables from customers for which services were already rendered, but not yet billed, due to certain terms as per the 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 third parties and affiliates for 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, 2021 AND 2020

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 20, 2021).

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, 2021 and 2020.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

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, 2021 and 2020, were as follows:

	<u>2021</u>	<u>2020</u>
Carrying Value	\$ 2,229,385	\$ 808,191
Portion insured by FDIC	<u>548,986</u>	<u>418,623</u>
Portion uninsured by FDIC	<u>\$ 1,680,399</u>	<u>\$ 389,568</u>

Risk to the Company for the uninsured cash balances is considered minimal. Balances as per books amounted to \$ 2,221,886 and \$792,830 as of March 31, 2021 and 2020 respectively.

Note 4. Accounts Receivable

Accounts receivable include billing done for professional services provided to several customers. As of March 31, 2021 and 2020, accounts receivable net of allowance for doubtful debt amounted to \$3,119,774 and \$ 3,108,938, respectively. Four Saksoft customers owed a total of 45% and 42% of the accounts receivable as of March 31, 2021 and 2020, respectively. Sales to four Saksoft customers accounted for 50 % and 51% of the total sales for the years ended March 31, 2021 and 2020, respectively. Nanda's accounts receivable balances are used to secure the factoring loan from TAB Bank, 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, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Saksoft Inc	\$ 67,068	\$ 69,511
Nanda Infotech Services Inc	72,792	28,116
Faichi Inc	<u>-</u>	<u>-</u>
	<u>\$ 139,860</u>	<u>\$ 97,627</u>

Bad debt write off amounted to \$ 42,022 and \$ 29,952, respectively, for the years ended March 31, 2021 and 2020, respectively. Provision for Doubtful Debts recorded during the year ended March 31, 2021 and 2020 amounted to \$84,255 and \$38,511, respectively.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 5. Accounts Receivable - Affiliate

The Company and its subsidiaries have inter-company transactions for services rendered as well as expenses incurred. Saksoft, Nanda and Faichi owed each other \$51,991 and \$ 38,163 respectively, as of March 31, 2021 and 2020. These amounts were eliminated in the consolidated financial statements.

Note 6. Accounts Receivable - Other/ TAB Bank

The Company provided advances to suppliers, which are offset against payables in the ordinary course of business. Such balances amounted to \$275,166 and \$197,518 as of March 31, 2021 and 2020, respectively. The balances include Nanda's receivable of \$ 33,978 and \$ 178,796 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, 2021 and 2020, unbilled revenues amounted to the following:

	<u>2021</u>	<u>2020</u>
Unbilled Revenues	<u>\$ 108,058</u>	<u>\$ 46,124</u>

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, 2021 and 2020, prepaid expenses amounted to the following:

	<u>2021</u>	<u>2020</u>
Prepaid Expenses	<u>\$ 25,086</u>	<u>\$ 50,963</u>

Note 9. Deferred Tax Asset

As of March 31, 2021 and 2020, deferred tax assets amounted to \$ 92,898 and \$ 29,256, respectively to reflect the timing differences in income tax expenses between the books and tax returns.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

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, 2021 and 2020, employee advances amounted to \$-0- and \$ 1,440, respectively. These advances bear no interest.

Note 11. Property and Equipment

Property and equipment consists of computers, laptops, furniture / office equipment and leasehold improvements. Their useful lives are approximately 5 years. They are depreciated using a straight line method. As of March 31, 2021 and 2020, property and equipment consisted of the following:

	<u>2021</u>	<u>2020</u>
Computer Equipment	\$ 15,076	\$ 15,076
Office Equipment/Furniture	11,805	11,805
Leasehold Improvements	11,755	11,755
Less: Accumulated Depreciation	<u>(36,608)</u>	<u>(33,895)</u>
Total	<u>\$ 2,028</u>	<u>\$ 4,741</u>

Depreciation expense for the years ended March 31, 2021 and 2020 was \$2,712 and \$ 3,535, 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 landlord for office space located in Pennsylvania. As of March 31, 2021 and 2020, the balances amounted to \$10,276 and \$ 10,276, 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. Some of these customer agreements with an initial cost of \$ 262,288 became worthless during the previous years resulting in complete write down of these intangible asset values. During the fiscal years ended March 31, 2021 and 2020, amortization expense amounted to \$-0- and \$113,968 respectively, including the write down described above.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 13. Intangible Asset Purchase (Cont'd)

The accumulated amortization amount and the net book value were \$467,428 and \$ -0- as of March 31, 2021 and 2020 respectively. Amortization expense for the remaining intangible assets for the future years is zero.

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, 2021, 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 were 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, 2021 and 2020 was \$-0- and \$100,000, respectively. The total amount of the intangible goodwill was reduced by \$840,000 resulting in reduced valuation of \$ 700,000 as of March 31, 2021 and 2020.

The total goodwill in the consolidated financial statements as of March 31, 2021 and 2020 amounted to \$ 2,056,488 and \$ 2,056,488 respectively.

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, 2021 and 2020 and deemed that no impairment occurred as of March 31, 2021 and 2020. Saksoft did not make any contributions to Nanda for the years ended March 31, 2021 and 2020. Any amount invested and paid-in capital is eliminated in the consolidated financial statements.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 15. Accounts Payable

Accounts payable includes money owed by Saksoft and Nanda for insurance, travel and other professional services received. As of March 31, 2021 and 2020, the balances amounted to \$ 706,903 and \$ 396,228 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, 2021 and 2020, accounts payable – parent company amounted to \$ 742,325 and \$ 389,348 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, 2021 and 2020, accounts payable- Affiliates amounted to \$ 563,132 and \$ 788,756 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, 2021 and 2020, billings in excess of revenues, is as follows:

	<u>2021</u>	<u>2020</u>
Billing in Excess of Revenues	<u>\$ 8,400</u>	<u>\$ 1,869</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, 2021 and 2020, they amounted to \$ 104,590 and \$ 86,627 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, 2021 and 2020, accrued expenses amounted to \$ 805,294 and \$ 647,191 respectively.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

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, 2021, the discount rate was 7.0%. The term of the factoring agreement was extended for additional 2 years. The advance percentage is 85% of the accounts receivable placed with TAB bank. As of March 31, 2021 and 2020, TAB Bank owed Nanda \$33,978 and \$ 178,796, which are therefore, included in Accounts Receivable - Other. Finance charges amounted to \$ 6,496 and \$ 801 for the years ended March 31, 2021 and 2020, respectively.

Note 22. 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. The loan required interest only payments on a quarterly basis. The loan was extended for a period of 3 years from January 20, 2017. The interest expense for the years ended March 31, 2021 and 2020, amounted to \$ -0- and \$ 5,822 respectively. As of March 31, 2021 and 2020, loan payable to Saksoft Pte Limited amounted to \$ -0- and \$ -0-, respectively. This loan was repaid in full in September 2019.

Note 23. 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. The loan required interest only payments on a quarterly basis. The interest expense for the years ended March 31, 2021 and 2020 amounted to \$-0- and \$10,222. As of March 31, 2021 and 2020, loan payable to Acuma Solutions Limited amounted to \$ -0- and \$ -0-, respectively. This loan was repaid in full in February 2020.

Note 24. 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. The loan required interest only payments on a quarterly basis. The interest expense for the year ended March 31, 2021 and 2020 amounted to \$-0- and \$1,603. As of March 31, 2021 and 2020, loan payable to Dreamorbit Inc amounted to \$-0- and \$ -0-, respectively. This loan was repaid in full in May 2019.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 25. Paycheck Protection Program (PPP) Loan

Saksoft and Nanda borrowed \$ 625,000 and \$262,500 from Citibank and TAB Bank respectively under the Paycheck Protection Program (PPP) as approved by the US Small Business Administration during the fiscal year ended March 31, 2021. A recent legislation named CARES Act (Coronavirus Aid, Relief and Economic Stability Act) allowed small businesses to apply for a new business loan program (Paycheck Protection Program- PPP). This loan program is administered through US Small Business Administration for eligible loan recipients to help cover certain operational costs such as payroll, health benefits, rent, utilities and interest on loans existing prior to February 15, 2020. This loan is subject to government guidelines which allows the loan to be forgiven if certain criteria is met by the borrower. Both Saksoft and Nanda have availed the PPP loan in good faith considering the uncertainty of the COVID-19 impact on the operational and financial performance in the short to mid term.

This loan, if not forgiven, is payable in maximum time period of two years. The loan is subject to 1% interest per annum. The interest expense for Saksoft and Nanda for the year ended March 31, 2021 amounted to \$5,549 and \$2,408 respectively. As of March 31, 2021, PPP loans payable balances remained the same as the original loan amount. The Companies expect that the loans and the related interest expenses are expected to be forgiven in the subsequent fiscal year; however, the loan balances will remain as current liabilities until such time when such forgiveness is approved by the lender/ SBA.

Note 26. Income Taxes

The Company files income tax returns in the U.S. federal and various state jurisdictions. Saksoft group's provision for income taxes, for the years ended March 31, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>
Federal Tax Expense	\$ 91,497	\$ 128,221
State Tax Expense	46,536	47,740
Add/ (Less): Deferred Tax	<u>(63,642)</u>	<u>(24,924)</u>
Total	<u>\$ 74,391</u>	<u>\$ 151,037</u>

Deferred tax asset amounted to \$ 92,898 and \$ \$ 29,256 as of March 31, 2021 and 2020, 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. Nanda has been selected for audit by Internal Revenue Service for the fiscal year ended March 31, 2019 and the audit is currently progressing. There are no provisions made in the books related to this audit, since IRS has not concluded on the audit as of the date of this audit report.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

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, 2021 and 2020, Saksoft-India and other related companies together billed \$ 7,423,065 and \$ 7,277,426, respectively for off-shore consulting services, marketing and travel related expenses as well as management and accounting services to Saksoft. Inter company billing to Saksoft from Nanda amounted to \$66,816, which is eliminated in the consolidated financials.

Accounts Payable due to Saksoft-India as of March 31, 2021 and 2020 were \$ 742,325 and \$ 389,348, respectively. Accounts Payable due to Affiliates as of March 31, 2021 and 2020 were \$ 563,132 and \$ 788,756, respectively. Any intercompany balances are eliminated in consolidation. The amounts due are paid to the parent / affiliated companies periodically in the ordinary course of business. Also, receivable and payable between Saksoft Inc, and subsidiaries in the amounts of \$51,991 and \$ 38,163 were eliminated during consolidation as of March 31, 2021 and 2020, respectively.

Note 29. Sources and Timing of Revenue Recognition

The Company provided software services to customers during the fiscal years ended March 31, 2021 and 2020, as shown below:

	<u>2021</u>	<u>2020</u>
<u>Segments</u>		
Service Transferred Over Time		
Saksoft Inc	15,059,948	14,408,234
Nanda Infotech Services Inc	1,415,992	1,836,223
Faichi Solutions Inc	-	-
Elimination	(66,816)	-
Total	<u>\$ 16,409,124</u>	<u>\$ 16,244,457</u>

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 30. Commitments and Contingent Liabilities

Saksoft maintains administrative offices under operating leases at 30 Montgomery Street, Jersey City, New Jersey, which was renewed till February 28, 2025. The Company's lease at the Chicago, Illinois location was renewed as virtual office till December 31, 2021. 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. For the years ended March 31, 2021 and 2020, total consolidated rent expenses amounted \$151,308 and \$ 150,845, respectively.

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>
31-Mar-22	\$ 64,762
31-Mar-23	65,833
31-Mar-24	67,808
31-Mar-25 (till Feb 28, 2025)	<u>63,951</u>
Total	<u>\$ 262,354</u>

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

Year ending	<u>Amount</u>
31-Mar-22	<u>\$ 72,000</u>
Total	<u>\$ 72,000</u>

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

Year Ending:	<u>Amount</u>
31-Mar-22 (till Dec 31, 2021)	<u>\$ 2,151</u>

Nanda's office lease in Bensalem, Pennsylvania was automatically renewed for another year till March 31, 2022. Future minimum lease payments on Nanda's Bensalem, PA office lease are as follows:

31-Mar-22	<u>\$9,900</u>
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SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 31. 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, 2021 and 2020, uninsured cash balances amounted to \$ 1,680,399 and \$ 389,568, respectively (as shown in Note 3). Business concentrations relating to sales and accounts receivable were discussed in detail in Note 4.

Note 32. Subsequent Events– Uncertainties Regarding COVID-19

The COVID-19 outbreak in the United States and throughout the world has caused business disruption due to shelter-in-place regulations imposed by various governments. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including duration and spread of the outbreak, the future impact on the customers, employees and vendors, all of which are uncertain and cannot be predicted.

US Small Business Administration provided Paycheck Protection Program loans to Sakssoft and Nanda to pay for certain eligible operational costs such as payroll, health benefits, rent, utilities, etc. These loans are subject to government guidelines which allow the loan to be forgiven if certain criteria is met by the borrower. Both Saksoft and Nanda have availed the PPP loan in good faith considering the uncertainty of the COVID-19 impact on the operational and financial performance in the short to mid term. Until the actual waiver is granted by the Citibank /TAB Bank/ SBA, these loans will remain as loans payable.

The Companies continue to employ and maintain the headcount of their staff in the US and deliver IT services to customers electronically.

SAKSOFT, INC.
SCHEDULE I - CONSOLIDATING COST OF SALES
For the Year Ended March 31, 2021

	Saksoft	Nanda	Faichi	Elimination	Total 2021
<u>Costs of Sales</u>					
Payroll Expenses & Related Taxes	\$ 3,027,483	\$ 1,262,053	\$ -	\$ -	\$ 4,289,536
Intercompany Software Services	7,489,881	-	-	(66,816)	7,423,065
Consulting & Other Expenses	3,550,437	17,165	-	-	3,567,602
 Total Cost of Sales	 \$ 14,067,801	 \$ 1,279,218	 \$ -	 \$ (66,816)	 \$ 15,280,203

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, 2020

	Saksoft	Nanda	Faichi	Elimination	Total 2020
<u>Costs of Sales</u>					
Payroll Expenses & Related Taxes	\$ 3,307,415	\$ 1,487,309	\$ -	\$ -	\$ 4,794,724
Intercompany Software Services	7,277,426	-	-	-	7,277,426
Consulting & Other Expenses	2,697,624	45,374	-	-	2,742,998
 Total Cost of Sales	 \$ 13,282,465	 \$ 1,532,683	 \$ -	 \$ -	 \$ 14,815,148

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, 2021

	Saksoft	Nanda	Faichi	Elimination	Total 2021
<u>Operating Expenses</u>					
Professional Fees	\$ 101,376	\$ 21,712	\$ -	\$ -	\$ 123,088
Professional Fees - Affiliate	-	-	-	-	-
Amortization	-	-	-	-	-
Business Promotion/ Travel Expenses	220,652	2,080	-	-	222,732
Employee Benefits	86,094	28,363	-	-	114,457
Rent	141,820	9,488	-	-	151,308
Dues and Subscriptions	58,599	3,014	-	-	61,613
Insurance	15,646	13,481	-	-	29,127
Telephone	104,567	4,098	-	-	108,665
Bank Service Charges	6,885	1,032	-	-	7,917
Staff Events	-	300	-	-	300
Recruitment Expenses	-	-	-	-	-
Depreciation	1,334	1,378	-	-	2,712
Postage and Delivery	2,037	-	-	-	2,037
Licenses and permits	27,090	-	-	-	27,090
Allowance for doubtful debts	39,579	44,676	-	-	84,255
Printing and Reproduction	93	-	-	-	93
Office Supplies and Expenses	671	55	-	-	726
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Operating Expenses	<u>\$ 806,443</u>	<u>\$ 129,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 936,120</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, 2020

	Saksoft	Nanda	Faichi	Elimination	Total 2020
<u>Operating Expenses</u>					
Professional Fees	\$ 151,336	\$ 64,352	\$ -	\$ -	\$ 215,688
Professional Fees - Affiliate	-	-	-	-	-
Amortization	113,968	-	-	-	113,968
Business Promotion/ Travel Expenses	5,686	-	-	-	5,686
Employee Benefits	94,292	28,121	-	-	122,413
Rent	140,945	9,900	-	-	150,845
Dues and Subscriptions	39,743	2,489	-	-	42,232
Insurance	30,802	9,894	-	-	40,696
Telephone	74,835	3,529	-	-	78,364
Bank Service Charges	1,870	1,422	-	-	3,292
Staff Events	557	500	-	-	1,057
Recruitment Expenses	873	-	-	-	873
Depreciation	1,695	1,840	-	-	3,535
Postage and Delivery	3,078	155	-	-	3,233
Licenses and permits	94,950	-	-	-	94,950
Allowance for doubtful debts	38,511	-	-	-	38,511
Printing and Reproduction	453	-	-	-	453
Office Supplies and Expenses	6,471	4,825	-	-	11,296
	<u>6,471</u>	<u>4,825</u>	<u>-</u>	<u>-</u>	<u>11,296</u>
 Total Operating Expenses	 <u>\$ 800,065</u>	 <u>\$ 127,027</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 927,092</u>

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

SAKSOFT, INC.
SCHEDULE III - CONSOLIDATING BALANCE SHEETS
March 31, 2021

	Saksoft	Nanda	Faichi	Elimination	Total 2021
<u>Assets</u>					
<u>Current Assets</u>					
Cash and Cash Equivalents	\$ 1,473,826	\$ 701,965	\$ 46,095	\$ -	\$ 2,221,886
Accounts Receivable, Net of Allowance for Doubtful Debts \$67,068 \$72,792 and -0-	2,691,764	428,010	-	-	3,119,774
Accounts Receivable - Affiliate	39,319	12,672	-	(51,991)	-
Accounts Receivable - Other/ TAB Bank	230,254	44,912	-	-	275,166
Unbilled Revenues	108,058	-	-	-	108,058
Prepaid Expenses	25,086	-	-	-	25,086
Prepaid Income Tax	6,184	-	-	-	6,184
Employee Advances/ Other Receivable	-	-	-	-	-
Total Current Assets	<u>4,574,491</u>	<u>1,187,559</u>	<u>46,095</u>	<u>(51,991)</u>	<u>5,756,154</u>
<u>Property and Equipment</u>					
Property and Equipment	25,758	12,878	-	-	38,636
Less: Accumulated Depreciation	(23,730)	(12,878)	-	-	(36,608)
Total Property and Equipment	<u>2,028</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,028</u>
<u>Noncurrent Assets</u>					
Deferred Tax Asset	46,215	46,683	-	-	92,898
Security Deposits	6,956	3,320	-	-	10,276
Intangible Asset Purchase net of Accumulated Amortization	-	-	-	-	-
Goodwill	-	125,000	-	1,931,488	2,056,488
Investments in Subsidiaries	2,366,110	-	-	(2,366,110)	-
Total Noncurrent Assets	<u>2,419,281</u>	<u>175,003</u>	<u>-</u>	<u>(434,622)</u>	<u>2,159,662</u>
Total Assets	<u>\$ 6,995,800</u>	<u>\$ 1,362,562</u>	<u>\$ 46,095</u>	<u>\$ (486,613)</u>	<u>\$ 7,917,844</u>
<u>Liabilities and Stockholder's Equity</u>					
<u>Current Liabilities</u>					
Accounts Payable	\$ 706,903	\$ -	-	\$ -	\$ 706,903
Accounts Payable - Parent Company	742,325	32,992	6,327	(39,319)	742,325
Accounts Payable - Affiliates	575,804	-	-	(12,672)	563,132
Billings in Excess of Revenues	8,400	-	-	-	8,400
Accrued Income Tax Liability	66,685	34,535	3,370	-	104,590
Accrued Expenses	548,337	262,506	-	-	810,843
Due to Former Member	-	-	-	-	-
Paycheck Protection Program (PPP) Loan	625,000	262,500	-	-	887,500
Factoring Loan Payable - TAB Bank	-	-	-	-	-
Total Current Liabilities	<u>3,273,454</u>	<u>592,533</u>	<u>9,697</u>	<u>(51,991)</u>	<u>3,823,693</u>
<u>Long Term Liabilities</u>					
Loan Payable - Sak Industries Pte Limited	-	-	-	-	-
Loan Payable - Saksoft Pte Limited	-	-	-	-	-
Loan Payable - Acuma Solutions Limited	-	-	-	-	-
Loan Payable - Dreamorbit Inc	-	-	-	-	-
Total Long Term Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<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	3,527,346	769,929	34,929	(433,053)	3,899,151
Total Stockholder's Equity	<u>3,722,346</u>	<u>770,029</u>	<u>36,398</u>	<u>(434,622)</u>	<u>4,094,151</u>
Total Liabilities and Stockholder's Equity	<u>\$ 6,995,800</u>	<u>\$ 1,362,562</u>	<u>\$ 46,095</u>	<u>\$ (486,613)</u>	<u>\$ 7,917,844</u>

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

SAKSOFT, INC.
SCHEDULE III - CONSOLIDATING BALANCE SHEETS
March 31, 2020

	Saksoft	Nanda	Faichi	Elimination	Total 2020
<u>Assets</u>					
<u>Current Assets</u>					
Cash and Cash Equivalents	\$ 627,058	\$ 119,677	\$ 46,095	\$ -	\$ 792,830
Accounts Receivable, Net of Allowance for Doubtful Debts \$69,511, \$28,116 and -0-	2,471,890	637,048	-	-	3,108,938
Accounts Receivable - Affiliate	38,163	-	-	(38,163)	-
Accounts Receivable - Other	11,462	186,056	-	-	197,518
Unbilled Revenues	41,950	4,174	-	-	46,124
Prepaid Expenses	44,441	6,522	-	-	50,963
Prepaid Income Tax	21,779	-	-	-	21,779
Employee Advances/ Other Receivable	1,440	-	-	-	1,440
Total Current Assets	<u>3,258,183</u>	<u>953,477</u>	<u>46,095</u>	<u>(38,163)</u>	<u>4,219,592</u>
<u>Property and Equipment</u>					
Property and Equipment	25,758	12,878	-	-	38,636
Less: Accumulated Depreciation	(22,395)	(11,500)	-	-	(33,895)
Total Property and Equipment	<u>3,363</u>	<u>1,378</u>	<u>-</u>	<u>-</u>	<u>4,741</u>
<u>Noncurrent Assets</u>					
Deferred Tax Asset	29,256	-	-	-	29,256
Security Deposits	6,956	3,320	-	-	10,276
Intangible Asset Purchase net of Accumulated Amortization	-	-	-	-	-
Goodwill	-	125,000	-	1,931,488	2,056,488
Investments in Subsidiaries	2,366,110	-	-	(2,366,110)	-
Total Noncurrent Assets	<u>2,402,322</u>	<u>128,320</u>	<u>-</u>	<u>(434,622)</u>	<u>2,096,020</u>
Total Assets	<u>\$ 5,663,868</u>	<u>\$ 1,083,175</u>	<u>\$ 46,095</u>	<u>\$ (472,785)</u>	<u>\$ 6,320,353</u>
<u>Liabilities and Stockholder's Equity</u>					
<u>Current Liabilities</u>					
Accounts Payable	\$ 394,728	\$ 1,500	-	\$ -	\$ 396,228
Accounts Payable - Parent Company	389,348	32,761	5,402	(38,163)	389,348
Accounts Payable - Affiliates	788,756	-	-	-	788,756
Billings in Excess of Revenues	1,869	-	-	-	1,869
Accrued Income Tax Liability	53,861	29,271	3,495	-	86,627
Accrued Expenses	390,524	256,667	-	-	647,191
Due to Former Members	100,000	-	-	-	100,000
Factoring Loan Payable - TAB Bank	-	-	-	-	-
Total Current Liabilities	<u>2,119,086</u>	<u>320,199</u>	<u>8,897</u>	<u>(38,163)</u>	<u>2,410,019</u>
<u>Long Term Liabilities</u>					
Loan Payable - Sak Industries Pte Limited	-	-	-	-	-
Loan Payable - Saksoft Pte Limited	-	-	-	-	-
Loan Payable - Acuma Solutions Limited	-	-	-	-	-
Loan Payable - Dreamorbit Inc	-	-	-	-	-
Total Long Term Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<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	3,349,782	762,876	35,729	(433,053)	3,715,334
Total Stockholder's Equity	<u>3,544,782</u>	<u>762,976</u>	<u>37,198</u>	<u>(434,622)</u>	<u>3,910,334</u>
Total Liabilities and Stockholder's Equity	<u>\$ 5,663,868</u>	<u>\$ 1,083,175</u>	<u>\$ 46,095</u>	<u>\$ (472,785)</u>	<u>\$ 6,320,353</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, 2021

	Saksoft	Nanda	Faichi	Elimination	Total 2021
<u>Operating Revenues</u>					
Sales Revenues	\$ 15,059,948	\$ 1,415,992	\$ -	\$ (66,816)	\$ 16,409,124
Total Operating Revenues	15,059,948	1,415,992	-	(66,816)	16,409,124
Cost of Sales (Schedule I)	(14,067,801)	(1,279,218)	-	66,816	(15,280,203)
Gross Profit/(Loss)	992,147	136,774	-	-	1,128,921
Operating Expenses (Schedule II)	(806,443)	(129,677)	-	-	(936,120)
Income/(Loss) from Operations	185,704	7,097	-	-	192,801
<u>Other Non-Operating Income/Expenses</u>					
Other Income/ Reimbursements	68,200	5,165	-	-	73,365
Interest Expense	(5,549)	(2,408)	-	-	(7,957)
Income/(Loss) before provision for Income Taxes	248,355	9,854	-	-	258,209
Provision for Income Taxes (Expense)/Benefit	(70,791)	(2,801)	(800)	-	(74,392)
Net Income/(Loss)	\$ 177,564	\$ 7,053	\$ (800)	\$ -	\$ 183,817

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, 2020

	Saksoft	Nanda	Faichi	Elimination	Total 2020
<u>Operating Revenues</u>					
Sales Revenues	\$ 14,408,234	\$ 1,836,223	\$ -	\$ -	\$ 16,244,457
Total Operating Revenues	14,408,234	1,836,223	-	-	16,244,457
Cost of Sales (Schedule I)	(13,282,465)	(1,532,683)	-	-	(14,815,148)
Gross Profit/(Loss)	1,125,769	303,540	-	-	1,429,309
Operating Expenses (Schedule II)	(800,065)	(127,027)	-	-	(927,092)
Income/(Loss) from Operations	325,704	176,513	-	-	502,217
<u>Other Non-Operating Income/Expenses</u>					
Other Income/ Reimbursements	118,175	750	-	-	118,925
Interest Expense	(17,647)	(5,698)	-	-	(23,345)
Income/(Loss) before provision for Income Taxes	426,232	171,565	-	-	597,797
Provision for Income Taxes (Expense)/Benefit	(111,049)	(39,988)	-	-	(151,037)
Net Income/(Loss)	\$ 315,183	\$ 131,577	\$ -	\$ -	\$ 446,760

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, 2021

	Saksoft	Nanda	Faichi	Elimination	Total 2021
<u>Cash Flows From Operating Activities</u>					
Net Income	\$ 177,564	\$ 7,053	\$ (800)	\$ -	\$ 183,817
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:					
Depreciation/Amortization Expense	1,334	1,378	-	-	2,712
<u>(Increase)/Decrease in:</u>					
Accounts Receivable	(219,874)	209,038	-	-	(10,836)
Accounts Receivable - Affiliate	(1,156)	(12,672)	-	-	(13,828)
Accounts Receivable - Other	(218,792)	175,122	-	-	(43,670)
Unbilled Revenues	(66,108)	4,174	-	-	(61,934)
Prepaid Expenses	19,356	6,522	-	-	25,878
Prepaid Income Tax	15,595	-	-	-	15,595
Employee Advances	1,440	-	-	-	1,440
Deferred Tax Asset	(16,959)	(46,683)	-	-	(63,642)
Security Deposits	-	-	-	-	-
<u>Increase/(Decrease) in:</u>					
Accounts Payable	312,175	(1,500)	-	-	310,675
Accounts Payable - Parent Company	352,977	231	925	-	354,133
Accounts Payable - Affiliates	(212,952)	-	-	-	(212,952)
Billings in Excess of Revenues	6,531	-	-	-	6,531
Accrued Income Tax Liability	12,824	5,264	(125)	-	17,963
Accrued Expenses	157,813	5,839	-	-	163,652
Net Cash Provided by/(used in) Operating Activities	<u>321,768</u>	<u>353,766</u>	<u>-</u>	<u>-</u>	<u>675,534</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	(100,000)	-	-	-	(100,000)
Paycheck Protection Program (PPP) Loan	625,000	262,500	-	-	887,500
Dividend Distribution to Saksoft	-	-	-	-	-
Loan Proceeds received from Saksoft Pte Limited	-	-	-	-	-
Loan Proceeds received from Acuma Solutions Limited	-	-	-	-	-
TAB Bank Factoring	-	(33,978)	-	-	(33,978)
Dividend Distribution to Saksoft India	-	-	-	-	-
Net Cash Provided by/(used in) Financing Activities	<u>525,000</u>	<u>228,522</u>	<u>-</u>	<u>-</u>	<u>753,522</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	846,768	582,288	-	-	1,429,056
Cash and Cash Equivalents: Beginning of Year	627,058	119,677	46,095	-	792,830
Cash and Cash Equivalents: End of Year	<u>\$ 1,473,826</u>	<u>\$ 701,965</u>	<u>\$ 46,095</u>	<u>\$ -</u>	<u>\$ 2,221,886</u>
<u>Supplementary Disclosure</u>					
Cash paid for income taxes	\$ 75,364	\$ 264	\$ 925	\$ -	\$ 76,553
Cash paid for interest	\$ 5,545	\$ 2,408	\$ -	\$ -	\$ 7,953

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, 2020

	Saksoft	Nanda	Faichi	Elimination	Total 2020
<u>Cash Flows From Operating Activities</u>					
Net Income	\$ 315,183	\$ 131,577	\$ -	\$ -	\$ 446,760
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:					
Depreciation/Amortization Expense	115,663	1,840	-	-	117,503
<u>(Increase)/Decrease in:</u>					
Accounts Receivable	508,337	117,132	-	-	625,469
Accounts Receivable - Affiliate	(18,943)	-	-	-	(18,943)
Accounts Receivable - Other	2,980	(152,535)	-	-	(149,555)
Unbilled Revenues	4,173	(4,174)	-	-	(1)
Prepaid Expenses	36,081	(6,522)	-	-	29,559
Prepaid Income Tax	(21,779)	-	-	-	(21,779)
Employee Advances	1,985	-	-	-	1,985
Deferred Tax Asset	(24,924)	-	-	-	(24,924)
Security Deposits	-	-	-	-	-
<u>Increase/(Decrease) in:</u>					
Accounts Payable	(143,346)	1,500	-	-	(141,846)
Accounts Payable - Parent Company	(509,713)	13,541	5,402	-	(490,770)
Accounts Payable - Affiliates	97,159	-	-	-	97,159
Billings in Excess of Revenues	1,869	-	-	-	1,869
Accrued Income Tax Liability	20,776	427	(5,402)	-	15,801
Accrued Expenses	(14,559)	(26,624)	-	-	(41,183)
Net Cash Provided by/(used in) Operating Activities	<u>370,942</u>	<u>76,162</u>	<u>-</u>	<u>-</u>	<u>447,104</u>
<u>Cash Flows From Investing Activities</u>					
Purchase of Property, Plant and Equipment	(2,478)	-	-	-	(2,478)
Investments in Subsidiaries	-	-	-	-	-
Net Cash Provided by/(used in) Investing Activities	<u>(2,478)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,478)</u>
<u>Cash Flows From Financing Activities</u>					
Payments to Former Members of Faichi	-	-	-	-	-
Loan Repaid to Sak Industries Pte Limited	-	-	-	-	-
Dividend Distribution to Saksoft	-	-	-	-	-
Loan Proceeds received from Saksoft Pte Limited	(250,000)	-	-	-	(250,000)
Loan Proceeds received from Acuma Solutions Limited	(400,000)	-	-	-	(400,000)
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>(950,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(950,000)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(581,536)	76,162	-	-	(505,374)
Cash and Cash Equivalents: Beginning of Year	1,208,594	43,515	46,095	-	1,298,204
Cash and Cash Equivalents: End of Year	<u>\$ 627,058</u>	<u>\$ 119,677</u>	<u>\$ 46,095</u>	<u>\$ -</u>	<u>\$ 792,830</u>
Supplementary Disclosure					
Cash paid for income taxes	\$ 134,714	\$ 39,561	\$ 5,402	\$ -	\$ 179,677
Cash paid for interest	\$ 18,200	\$ 5,698	\$ -	\$ -	\$ 23,898

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