

SAKSOFT, INC.

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

MARCH 31, 2022 AND 2021

BALACHANDAR JAYARAMAN CPA LLC
Certified Public Accountant/Business Consultant
719 Inman Ave., Suite # 201, P.O. Box 117
Colonia, NJ 07067
Tel. (732) 943-7605 eFax. (732) 909-7122
Cell. (732) 539-0924
Email: bala@jayaraman CPA.com
www.jayaraman CPA.com

SAKSOFT, INC.

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719 Inman Avenue, Suite # 201, P O Box 117

Colonia, NJ 07067

www.JayaramanCPA.com

Email: bala@JayaramanCPA.com

732-943-7605 (Tel)

732-909-7122 (eFax)

732-539-0924 (Cell)

732-669-7779 (Fax)

Licensed in NJ & IL

Member: AICPA

Member: NJSCPA

CPA & CGMA

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Saksoft, Inc. (a Colorado Corporation) and subsidiaries, which comprise the balance sheets as of March 31, 2022 and 2021, and the related statements of income, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saksoft Inc and subsidiaries as of March 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Saksoft Inc and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Saksoft Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors and Stockholders of
Saksoft Inc

INDEPENDENT AUDITOR'S REPORT – (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Saksoft Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Saksoft Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

To the Board of Directors and Stockholders of
Saksoft Inc

INDEPENDENT AUDITOR'S REPORT – (Cont'd)

Report on Consolidating Information

Our audits were 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 24 to 33) 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.

A handwritten signature in cursive script, reading "Balachandar Jayaraman", is written over a horizontal line.

Balachandar Jayaraman CPA LLC
Colonia, New Jersey
May 25, 2022

SAKSOFT, INC.
CONSOLIDATED BALANCE SHEETS
March 31, 2022 and 2021

	2022	2021
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 2,943,586	\$ 2,221,886
Accounts Receivable, Net of Allowance for Doubtful Debts \$ 139,860 and \$ 139,860	4,315,478	3,119,774
Accounts Receivable - Affiliate	-	-
Accounts Receivable - Other	39,565	275,166
Unbilled Revenues	543,349	108,058
Prepaid Expenses	58,839	25,086
Prepaid Income Tax	-	6,184
Employee Advances	1,500	-
Total Current Assets	7,902,317	5,756,154
<u>Property and Equipment</u>		
Property and Equipment	190,166	38,636
Less: Accumulated Depreciation	(37,468)	(36,608)
Total Property and Equipment	152,698	2,028
<u>Noncurrent Assets</u>		
Deferred Tax Asset	123,451	92,898
Security Deposits	10,076	10,276
Asset Purchase net of Amortization	-	-
Goodwill	2,056,488	2,056,488
Investments in Subsidiaries	-	-
Total Noncurrent Assets	2,190,015	2,159,662
Total Assets	\$ 10,245,030	\$ 7,917,844
 <u>Liabilities and Stockholder's Equity</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 1,298,578	\$ 706,903
Accounts Payable - Parent Company	874,954	742,325
Accounts Payable - Affiliates	1,096,480	563,132
Billings in Excess of Revenues	14,670	8,400
Accrued Income Tax Liability	238,589	104,590
Accrued Expenses	1,387,089	810,843
Current Lease Liabilities	40,980	-
Paycheck Protection Program (PPP) (Loan)	-	887,500
Factoring Loan Payable - TAB Bank	-	-
Total Current Liabilities	4,951,340	3,823,693
<u>Long Term Liabilities</u>		
Non-Current Lease Liabilities	122,886	-
Total Long Term Liabilities	122,886	-
<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	4,975,804	3,899,151
Total Stockholder's Equity	5,170,804	4,094,151
Total Liabilities and Stockholder's Equity	\$ 10,245,030	\$ 7,917,844

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, 2022 and 2021

	2022	2021
<u>Operating Revenues</u>		
Sales Revenues	\$ 22,431,155	\$ 16,409,124
Total Operating Revenues	22,431,155	16,409,124
Cost of Sales (Schedule I)	(20,705,838)	(15,280,203)
Gross Profit/(Loss)	1,725,317	1,128,921
Operating Expenses (Schedule II)	(678,348)	(936,120)
Income/(Loss) from Operations	1,046,969	192,801
<u>Other Non-Operating Income/Expenses</u>		
PPP Loan / Interest Forgiven	895,338	-
Other Income/ Reimbursements	38,071	73,365
Interest Expense	(5,307)	(7,957)
Income/(Loss) before provision for Income Taxes	1,975,071	258,209
Provision for Income Taxes (Expense)/Benefit	(248,418)	(74,392)
Net Income/(Loss)	\$ 1,726,653	\$ 183,817

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, 2022 and 2021

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
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 Solutions Inc	-	-	(800)	(800)
Balance at April 1, 2021	195,000	-	3,899,151	4,094,151
<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.	-	-	(650,000)	(650,000)
Nanda Infotech Services, Inc.	-	-	-	-
Saksoft Ltd - India	-	-	-	-
<u>Net Income/(Loss)</u>				
Saksoft, Inc.	-	-	1,395,945	1,395,945
Nanda Infotech Services, Inc.	-	-	331,508	331,508
Faichi Solutions Inc	-	-	(800)	(800)
Balance at March 31, 2022	\$ 195,000	\$ -	\$ 4,975,804	\$ 5,170,804

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, 2022 and 2021

	2022	2021
<u>Cash Flows From Operating Activities</u>		
Net Income	\$ 1,726,653	\$ 183,817
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:		
Depreciation/Amortization Expense	30,890	2,712
<u>(Increase)/Decrease in:</u>		
Accounts Receivable	(1,195,704)	(10,836)
Accounts Receivable - Affiliate	45,664	(13,828)
Accounts Receivable - Other	235,601	(43,670)
Unbilled Revenues	(435,291)	(61,934)
Prepaid Expenses	(33,753)	25,878
Prepaid Income Tax	6,184	15,595
Employee Advances	(1,500)	1,440
Deferred Tax Asset	(30,553)	(63,642)
Security Deposits	200	-
<u>Increase/(Decrease) in:</u>		
Accounts Payable	591,675	310,675
Accounts Payable - Parent Company	99,637	354,133
Accounts Payable - Affiliates	520,676	(212,952)
Billings in Excess of Revenues	6,270	6,406
Accrued Income Tax Liability	133,999	18,088
Accrued Expenses	576,246	163,652
Current Lease Liabilities	40,980	-
Non-Current Lease Liabilities	122,886	-
Net Cash Provided by/(used in) Operating Activities	2,440,760	675,534
<u>Cash Flows From Investing Activities</u>		
Purchase of Property, Plant and Equipment	(181,560)	-
Intangible Asset Purchase	-	-
Investments in Subsidiaries	-	-
Net Cash Provided by/(used in) Investing Activities	(181,560)	-
<u>Cash Flows From Financing Activities</u>		
Loan Proceeds received from Dream Orbit Inc	-	(33,978)
Due to Former Member	-	(100,000)
Paycheck Protection Program (PPP) Loan Forgiven	(887,500)	887,500
Dividend Distribution to Saksoft India	(650,000)	-
Loan Proceeds received from Saksoft Pte Limited	-	-
Loan Proceeds received from Acuma	-	-
Net Cash Provided by/(used in) Financing Activities	(1,537,500)	753,522
Net Increase/(Decrease) in Cash and Cash Equivalents	721,700	1,429,056
Cash and Cash Equivalents: Beginning of Year	2,221,886	792,830
Cash and Cash Equivalents: End of Year	\$ 2,943,586	\$ 2,221,886
Supplementary Disclosure:		
Cash paid for income taxes	\$ 138,788	\$ 76,553
Cash paid for interest	\$ 5,307	\$ 7,953

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

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

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, 2022 and 2021. 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, 2022 AND 2021

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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 AND 2021

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. 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.

Right of Use Asset for NJ office lease has been capitalized during the current fiscal year as operating lease. The related amortization and lease liabilities have been recorded accordingly. Other office / guest house lease payments, which are either month-to-month or less than a year term, are expensed as rent. The Company does not have any finance leases.

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. Also, refer to ASC 606 Revenue Recognition standards implementation referred elsewhere in the notes.

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, 2022 AND 2021

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. Statute of limitation applies for tax audits for fiscal years prior to March 31, 2018.

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 25, 2022).

o) New Accounting Pronouncements – Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers: Topic 606. This ASU supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

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

o) New Accounting Pronouncements – Revenue Recognition

Management believes the standard improves the usefulness and understandability of the Organization’s financial reporting. The Organization adopted this ASU on April 1, 2021 using a full retrospective method of application. As a result, no cumulative effect adjustment was recorded upon adoption.

Accounting for Leases

On February 25, 2016, the FASB issued ASU 2016-02 (Topic 842), “Leases,” which will require lessees to recognize a lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term.

The FASB’s new standard, Leases (ASC 842), represents the first comprehensive overhaul of lease accounting since FAS 13 was issued in 1976. There are elements of the new standard that could impact almost all entities to some extent, although lessees will likely see the most significant changes. The standard is effective for nonpublic business entities for fiscal years beginning after December 15, 2019.

In November 2019, a deferral was issued for nonpublic entities in recognition of the challenges encountered in the implementation of a major standard. The second deferral for nonpublic entities, in June 2020, was issued because of disruptions caused by the coronavirus pandemic. Private companies now have a deferral option to apply *ASU 2016-02 Leases (Topic 842)* to fiscal year beginning after December 15, 2021. Early adoption is permitted, therefore, the Company adopted ASC 842 and implemented the new lease standard effective fiscal year starting April 1, 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, 2022 and 2021. A summary of the total insured and uninsured cash balances as per bank statements, as of March 31, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
Carrying Value	\$ 2,947,995	\$ 2,229,385
Portion insured by FDIC	663,205	548,986
Portion uninsured by FDIC	<u>\$ 2,284,790</u>	<u>\$ 1,680,399</u>

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

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

Risk to the Company for the uninsured cash balances is considered minimal. Balances as per books amounted to \$ 2,943,586 and \$2,221,886 as of March 31, 2022 and 2021 respectively.

Note 4. Accounts Receivable

Accounts receivable includes billing done for professional services provided to several customers. As of March 31, 2022 and 2021, accounts receivable net of allowance for doubtful debt amounted to \$4,315,478 and \$ 3,119,774, respectively. Four Saksoft customers owed a total of 40% and 45% of the accounts receivable as of March 31, 2022 and 2021, respectively. Sales to four Saksoft customers accounted for 52 % and 50% of the total sales for the years ended March 31, 2022 and 2021, 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, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Saksoft Inc	\$ 67,068	\$ 67,068
Nanda Infotech Services Inc	72,792	72,792
Faichi Inc	-	-
	<u>\$ 139,860</u>	<u>\$ 139,860</u>

Bad debt write off amounted to \$ -0- and \$ 42,022 for the years ended March 31, 2022 and 2021, respectively. Provision for Doubtful Debts recorded during the year ended March 31, 2022 and 2021 amounted to \$-0-and \$84,255, respectively.

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 \$6,327 and \$51,991 respectively, as of March 31, 2022 and 2021. 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 \$39,565 and \$275,166 as of March 31, 2022 and 2021, respectively.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

Note 6. Accounts Receivable - Other/ TAB Bank (cont'd)

The balances include Nanda's receivable of \$ 39,565 and \$33,978 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, 2022 and 2021, unbilled revenues amounted to the following:

	<u>2022</u>	<u>2021</u>
Unbilled Revenues	<u>\$ 543,349</u>	<u>\$ 108,058</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, 2022 and 2021, prepaid expenses amounted to the following:

	<u>2022</u>	<u>2021</u>
Prepaid Expenses	<u>\$ 58,839</u>	<u>\$ 25,086</u>

Note 9. Prepaid Income Tax

As of March 31, 2022 and 2021, prepaid income taxes amounted to \$ -0- and \$ 6,184, respectively.

Note 10. Deferred Tax Asset

As of March 31, 2022 and 2021, deferred tax assets amounted to \$ 123,451 and \$ 92,898, respectively to reflect the timing differences in income tax expenses between the books and tax returns.

Note 11. 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, 2022 and 2021, employee advances amounted to \$1,500 and \$ -0-, respectively. These advances bear no interest.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

Note 12. 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, 2022 and 2021, property and equipment consisted of the following:

	<u>2022</u>	<u>2021</u>
Computer Equipment	\$ 16,459	\$ 15,076
Office Equipment/Furniture	11,805	11,805
Leasehold Improvements	11,755	11,755
Less: Accumulated Depreciation	(37,468)	(36,608)
Rights to Use Asset, net of Accumulated Amortization \$30,030	<u>150,147</u>	<u>-</u>
Total	<u>\$ 152,698</u>	<u>\$ 2,028</u>

Depreciation expense for the years ended March 31, 2022 and 2021 was \$860 and \$ 2,712, respectively. Amortization expense on Right to Use Assets for the years ended March 31, 2022 and 2021 was \$30,030 and \$ -0-, respectively.

Note 13. 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, 2022 and 2021, the balances amounted to \$10,076 and \$ 10,276, respectively.

Note 14. 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. However, these customer agreements with an initial cost of \$ 467,428 became worthless, resulting in complete write down of these intangible asset values. During the fiscal years ended March 31, 2022 and 2021, amortization expense amounted to \$-0- and \$-0- respectively, including the write down described above. The accumulated amortization amount and the net book value were \$467,428 and \$ -0- as of March 31, 2022 and 2021 respectively.

Note 15. 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.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

Note 15. Goodwill/ Investments in Subsidiaries (cont'd)

As of March 31, 2022, 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, 2022 and 2021 was \$-0- and \$-0-, respectively. The total amount of the intangible goodwill was reduced by \$840,000 resulting in reduced valuation of \$ 700,000 as of March 31, 2022 and 2021.

The total goodwill in the consolidated financial statements as of March 31, 2022 and 2021 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, 2022 and 2021 and deemed that no impairment occurred as of March 31, 2022 and 2021. Saksoft did not make any contributions to Nanda for the years ended March 31, 2022 and 2021. Any amount invested in the paid-in capital of both subsidiaries is eliminated in the consolidated financial statements.

Note 16. Accounts Payable

Accounts payable includes money owed by Saksoft and Nanda for services rendered by vendors. As of March 31, 2022 and 2021, the balances amounted to \$ 1,298,578 and \$ 706,903 respectively.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

Note 17. 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, 2022 and 2021, accounts payable – parent company amounted to \$ 874,954 and \$ 742,325 respectively.

For Nanda and Faichi, Accounts payable – parent company consisted of balances due to Saksoft USA for services rendered and reimbursement of expenses incurred. As of March 31, 2022 and 2021, accounts payable – parent company amounted to \$ 6,327 and \$ 51,991, respectively. These amounts are eliminated in consolidation.

Note 18. 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, 2022 and 2021, accounts payable- Affiliates amounted to \$ 1,096,480 and \$ 563,132 respectively.

Note 19. Billings in Excess of Revenues

In the case of fixed price contracts, revenue is recognized based on percentage of completion method and the invoices are raised based on the milestones specified in the contract. If the revenue recognized is lesser than the amount invoiced based on the milestones, the same is classified as billings in excess of revenues. As of March 31, 2022 and 2021, billings in excess of revenues, is as follows:

	<u>2022</u>	<u>2021</u>
Billing in Excess of Revenues	<u>\$ 14,670</u>	<u>\$ 8,400</u>

Note 20. Accrued Income Tax Liability

Accrued income tax liability consists of federal and state corporate income taxes owed by the Company less the amount of estimated tax payments made during the year. As of March 31, 2022 and 2021, they amounted to \$ 238,589 and \$ 104,590 respectively.

Note 21. Accrued Expenses

Accrued expenses include professional fees for services rendered, commissions, employee payroll and taxes, telecommunication, and other expenses incurred during the year. As of March 31, 2022 and 2021, accrued expenses amounted to \$ 1,387,087 and \$ 810,843 respectively.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

Note 22. 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. CARES Act (Coronavirus Aid, Relief and Economic Stability Act) allowed small businesses to apply for Paycheck Protection Program- PPP, which is eligible for loan forgiveness, subject to certain conditions. 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. 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 \$2,289 respectively. As of March 31, 2022, both PPP loans and related accrued interest were forgiven. PPP loan balances amounted to \$-0- and \$887,500 as of March 31, 2022 and 2021, respectively. These forgiven loans and related accrued interest were considered as other income, not subject to income tax.

Note 23. 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 24. 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, 2022, 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, 2022 and 2021, TAB Bank owed Nanda \$ 39,565 and \$ 33,978, which are therefore, included in Accounts Receivable - Other. Finance charges amounted to \$ 52 and \$ 6,496 for the years ended March 31, 2022 and 2021, respectively.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

Note 25. Leasing Activities

The Company entered into an operating lease for office space in Jersey City, NJ in September 2021. This lease has a remaining lease term of approximately 3 years, expiring on February 28, 2025. This lease is subject to new lease accounting standards, which is adopted by the Company effective April 1, 2021. The following summarizes the line items in the balance sheets which include amounts for operating lease as of March 31, 2022 and 2021. Interest and Amortization expenses related to the operating lease amounted to \$5,255 and \$30,030 for year ended March 31, 2022. The Company does not have any finance leases.

	<u>2022</u>	<u>2021</u>
<u>Operating Leases</u>		
Operating Lease right of use assets	\$ 180,177	\$ -
Less: Accumulated Amortization	(30,030)	
Operating Lease right of use assets, net	<u>\$ 150,147</u>	<u>\$ -</u>
<u>Current Lease liabilities</u>		
	\$ 40,980	\$ -
Non-current Lease liabilities	122,886	
Total operating lease liabilities	<u>\$ 163,866</u>	<u>\$ -</u>
<u>Finance Leases</u>		
Property and equipment	\$ -	\$ -
Accumulated depreciation	-	-
Property and equipment, net	<u>\$ -</u>	<u>\$ -</u>
Other current liabilities	\$ -	\$ -
Other long term liabilities	-	-
Total finance lease liabilities	<u>\$ -</u>	<u>\$ -</u>

The following summarizes the weighted average remaining lease term and discount rate as of March 31:

	<u>2022</u>	<u>2021</u>
<u>Weighted Average Remaining Lease Term</u>		
Operating leases	2.9 years	N/A
Finance leases	N/A	N/A
<u>Weighted Average Discount Rate</u>		
Operating leases	5.0%	N/A
Finance leases	N/A	N/A

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

Note 25. Leasing Activities (cont'd)

The maturities of lease liabilities as of March 31, 2022 are as follows:

Year ending:	<u>Operating</u>	<u>Finance</u>
2023	\$ 49,173	\$ -
2024	67,817	-
2025	63,951	-
Thereafter	-	-
Total lease payments	<u>180,941</u>	<u>-</u>
Less: interest	<u>(17,143)</u>	<u>-</u>
Present value of lease liabilities	<u>\$ 163,798</u>	<u>\$ -</u>

The following summarizes the line items in the income statements which include the components of lease expense / amortization of right of use assets for the years ended March 31:

	<u>2022</u>	<u>2021</u>
Operating lease expense	\$ 119,092	\$ 151,308
Amortization of right of use asset	<u>\$ 30,030</u>	<u>-</u>
Finance lease expense	<u>-</u>	<u>-</u>

The following summarizes cash flow information related to leases for the years ended March 31:

	<u>2022</u>	<u>2021</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 140,659	\$ 151,308
Operating cash flows from finance leases	-	-
Financing cash flows from finance leases	-	-
Lease assets obtained in exchange for lease obligations:		
Operating lease	150,147	-
Finance lease	-	-

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

Note 25. Leasing Activities (cont'd)

In addition, the Company and its subsidiaries maintain month-to-month/ annual leases which are not required to be capitalized as right of use assets under the new lease accounting standards, therefore, are disclosed as rent expenses in the financial statements.

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

Year ending	<u>Amount</u>
31-Mar-23	\$ 72,000
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-23 (till Dec 31, 2022)	<u>\$ 2,151</u>

Nanda's office lease in Bensalem, Pennsylvania was automatically renewed for another year till March 31, 2023. Future minimum lease payments on Nanda's Bensalem, PA office lease are as follows:

31-Mar-23	<u>\$9,900</u>
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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, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Federal Tax Expense - current	\$ 185,464	\$ 91,498
State Tax Expense - current	93,507	46,536
Add/ (Less): Deferred Tax (benefit)	<u>(30,553)</u>	<u>(63,642)</u>
Total	<u>\$ 248,418</u>	<u>\$ 74,392</u>

Deferred tax asset amounted to \$ 123,451 and \$ 92,898 as of March 31, 2022 and 2021, respectively. Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. Differences are primarily attributable to incentive compensation accruals, depreciation, allowance for doubtful debts, amortization of right of use assets and related interest on lease liability and lease payments.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

Note 26. Income Taxes (cont'd)

Internal Revenue Service completed and closed out the federal tax audit of Nanda for the fiscal year ended March 31, 2019 without making any changes.

Note 27. 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, 2022 and 2021, uninsured cash balances amounted to \$ 2,284,790 and \$ 1,680,399, respectively (as shown in Note 3). Business concentrations relating to sales and accounts receivable were discussed in detail in Note 4.

Note 28. Sources and Timing of Revenue Recognition

The Company provided software services to customers during the fiscal years ended March 31, 2022 and 2021, as shown below:

	<u>2022</u>	<u>2021</u>
<u>Segments</u>		
Service Transferred Over Time		
Saksoft Inc	21,180,735	15,059,948
Nanda Infotech Services Inc	1,405,652	1,415,992
Faichi Solutions Inc	-	-
Elimination	<u>(155,232)</u>	<u>(66,816)</u>
Total	<u>\$ 22,431,155</u>	<u>\$ 16,409,124</u>

Note 29. 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, 2022 and 2021, Saksoft-India and other related companies together billed \$ 9,928,815 and \$ 7,423,065, respectively for offshore 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 \$155,232 and \$66,816, for the years ended March 31, 2022 and 2021, which are eliminated in the consolidated financials.

Accounts Payable due to Saksoft-India as of March 31, 2022 and 2021 were \$ 874,954 and \$ 742,325, respectively. Accounts Payable due to Affiliates as of March 31, 2022 and 2021 were \$ 1,096,480 and \$ 563,132, respectively. Any intercompany balances are eliminated in consolidation.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

Note 29. Related – Party Transactions (cont'd)

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 \$ 6,327 and \$ 51,991 were eliminated during consolidation as of March 31, 2022 and 2021, respectively.

Note 30. Risks and Uncertainties – Impact of COVID-19

As of the date these financial statements were available to be issued, management continues to evaluate the effects of the COVID-19 virus on its operations and those of its employees, customers, and vendors. The severity of the impact of COVID-19 on the Company's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Company's customers, employees and vendors, all of which are uncertain and cannot be predicted. Management is unable to predict with absolute certainty the impact of COVID-19 on its financial condition, results of operations or cash flows. Management has developed a wide array of financial and operational plans designed to respond to disruptions in its business. The prospective impact is not, at present, readily determinable.

SAKSOFT, INC.
SCHEDULE I - CONSOLIDATING COST OF SALES
For the Year Ended March 31, 2022

	Saksoft	Nanda	Faichi	Elimination	Total 2022
<u>Costs of Sales</u>					
Payroll Expenses & Related Taxes	\$ 2,168,453	\$ 1,211,489	\$ -	\$ -	\$ 3,379,942
Intercompany Software Services	10,084,047	-	-	(155,232)	9,928,815
Consulting & Other Expenses	7,383,139	13,942	-	-	7,397,081
 Total Cost of Sales	 \$ 19,635,639	 \$ 1,225,431	 \$ -	 \$ (155,232)	 \$ 20,705,838

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, 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 II - CONSOLIDATING OPERATING EXPENSES
For the Year Ended March 31, 2022

	Saksoft	Nanda	Faichi	Elimination	Total 2022
<u>Operating Expenses</u>					
Professional Fees	\$ 50,136	\$ 23,421	\$ -	\$ -	\$ 73,557
Professional Fees - Affiliate	-	-	-	-	-
Amortization	-	-	-	-	-
Business Promotion/ Travel Expenses	43,678	-	-	-	43,678
Employee Benefits	56,364	42,152	-	-	98,516
Rent	109,292	9,900	-	-	119,192
Dues and Subscriptions	47,196	2,412	-	-	49,608
Insurance	30,150	11,370	-	-	41,520
Telephone / Cloud Services	211,239	2,452	-	-	213,691
Bank Service Charges	1,890	803	-	-	2,693
Recruitment Expenses	-	-	-	-	-
Depreciation/ Amortization	30,890	-	-	-	30,890
Postage and Delivery	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Allowance for doubtful debts	-	-	-	-	-
Printing and Reproduction	118	-	-	-	118
Office Supplies and Expenses	4,024	861	-	-	4,885
Total Operating Expenses	<u>\$ 584,977</u>	<u>\$ 93,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 678,348</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, 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 / Cloud Services	104,567	4,098	-	-	108,665
Bank Service Charges	6,885	1,032	-	-	7,917
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	355	-	-	1,026
 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 III - CONSOLIDATING BALANCE SHEETS
March 31, 2022

<u>Assets</u>	Saksoft	Nanda	Faichi	Elimination	Total 2022
<u>Current Assets</u>					
Cash and Cash Equivalents	\$ 2,047,474	\$ 850,017	\$ 46,095	\$ -	\$ 2,943,586
Accounts Receivable, Net of Allowance for Doubtful Debts \$67,068, \$72,792 and -0-	3,987,551	327,927	-	-	4,315,478
Accounts Receivable - Affiliate	6,327	-	-	(6,327)	-
Accounts Receivable - Other/ TAB Bank	-	39,565	-	-	39,565
Unbilled Revenues	543,349	-	-	-	543,349
Prepaid Expenses	45,794	13,045	-	-	58,839
Prepaid Income Tax	-	-	-	-	-
Employee Advances/ Other Receivable	1,500	-	-	-	1,500
Total Current Assets	<u>6,631,995</u>	<u>1,230,554</u>	<u>46,095</u>	<u>(6,327)</u>	<u>7,902,317</u>
<u>Property and Equipment</u>					
Property and Equipment	177,288	12,878	-	-	190,166
Less: Accumulated Depreciation	(24,590)	(12,878)	-	-	(37,468)
Total Property and Equipment	<u>152,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,698</u>
<u>Noncurrent Assets</u>					
Deferred Tax Asset	56,304	67,147	-	-	123,451
Security Deposits	6,756	3,320	-	-	10,076
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>2,429,170</u>	<u>195,467</u>	<u>-</u>	<u>(434,622)</u>	<u>2,190,015</u>
Total Assets	<u>\$ 9,213,863</u>	<u>\$ 1,426,021</u>	<u>\$ 46,095</u>	<u>\$ (440,949)</u>	<u>\$ 10,245,030</u>
<u>Liabilities and Stockholder's Equity</u>					
<u>Current Liabilities</u>					
Accounts Payable	\$ 1,298,578	\$ -	-	\$ -	\$ 1,298,578
Accounts Payable - Parent Company	874,954	-	6,327	(6,327)	874,954
Accounts Payable - Affiliates	1,096,480	-	-	-	1,096,480
Billings in Excess of Revenues	14,670	-	-	-	14,670
Accrued Income Tax Liability	169,785	64,634	4,170	-	238,589
Accrued Expenses	1,127,239	259,850	-	-	1,387,089
Current Lease Liabilities	40,980	-	-	-	40,980
Paycheck Protection Program (PPP) Loan	-	-	-	-	-
Factoring Loan Payable - TAB Bank	-	-	-	-	-
Total Current Liabilities	<u>4,622,686</u>	<u>324,484</u>	<u>10,497</u>	<u>(6,327)</u>	<u>4,951,340</u>
<u>Long Term Liabilities</u>					
Non-Current Lease Liabilities	122,886	-	-	-	122,886
Total Long Term Liabilities	<u>122,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,886</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	4,273,291	1,101,437	34,129	(433,053)	4,975,804
Total Stockholder's Equity	<u>4,468,291</u>	<u>1,101,537</u>	<u>35,598</u>	<u>(434,622)</u>	<u>5,170,804</u>
Total Liabilities and Stockholder's Equity	<u>\$ 9,213,863</u>	<u>\$ 1,426,021</u>	<u>\$ 46,095</u>	<u>\$ (440,949)</u>	<u>\$ 10,245,030</u>

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

SAKSOFT, INC.
SCHEDULE III - CONSOLIDATING BALANCE SHEETS

March 31, 2021

<u>Assets</u>	Saksoft	Nanda	Faichi	Elimination	Total 2021
<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 Members	-	-	-	-	-
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 IV - CONSOLIDATING STATEMENTS OF INCOME
For the Year Ended March 31, 2022

	Saksoft	Nanda	Faichi	Elimination	Total 2022
<u>Operating Revenues</u>					
Sales Revenues	\$ 21,180,735	\$ 1,405,652	\$ -	\$ (155,232)	\$ 22,431,155
Total Operating Revenues	21,180,735	1,405,652	-	(155,232)	22,431,155
Cost of Sales (Schedule I)	(19,635,639)	(1,225,431)	-	155,232	(20,705,838)
Gross Profit/(Loss)	1,545,096	180,221	-	-	1,725,317
Operating Expenses (Schedule II)	(584,977)	(93,371)	-	-	(678,348)
Income/(Loss) from Operations	960,119	86,850	-	-	1,046,969
<u>Other Non-Operating Income/Expenses</u>					
PPP Loan / Interest Forgiven	630,549	264,789			895,338
Other Income/ Reimbursements	38,071	-	-		38,071
Interest Expense	(5,255)	(52)	-	-	(5,307)
Income/(Loss) before provision for Income Taxes	1,623,484	351,587	-	-	1,975,071
Provision for Income Taxes (Expense)/Benefit	(227,539)	(20,079)	(800)	-	(248,418)
Net Income/(Loss)	\$ 1,395,945	\$ 331,508	\$ (800)	\$ -	\$ 1,726,653

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 V - CONSOLIDATING STATEMENTS OF CASH FLOWS
For the Year Ended March 31, 2022

	Saksoft	Nanda	Faichi	Elimination	Total 2022
<u>Cash Flows From Operating Activities</u>					
Net Income	\$ 1,395,945	\$ 331,508	\$ (800)	\$ -	\$ 1,726,653
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:					
Depreciation/Amortization Expense	30,890	-	-	-	30,890
<u>(Increase)/Decrease in:</u>					
Accounts Receivable	(1,295,787)	100,083	-	-	(1,195,704)
Accounts Receivable - Affiliate	32,992	12,672	-	-	45,664
Accounts Receivable - Other	230,254	5,347	-	-	235,601
Unbilled Revenues	(435,291)	-	-	-	(435,291)
Prepaid Expenses	(20,708)	(13,045)	-	-	(33,753)
Prepaid Income Tax	6,184	-	-	-	6,184
Employee Advances	(1,500)	-	-	-	(1,500)
Deferred Tax Asset	(10,089)	(20,464)	-	-	(30,553)
Security Deposits	200	-	-	-	200
<u>Increase/(Decrease) in:</u>					
Accounts Payable	591,675	-	-	-	591,675
Accounts Payable - Parent Company	132,629	(32,992)	-	-	99,637
Accounts Payable - Affiliates	520,676	-	-	-	520,676
Billings in Excess of Revenues	6,270	-	-	-	6,270
Accrued Income Tax Liability	103,100	30,099	800	-	133,999
Accrued Expenses	578,902	(2,656)	-	-	576,246
Current Lease Liabilities	40,980	-	-	-	40,980
Non-Current Lease Liabilities	122,886	-	-	-	122,886
Net Cash Provided by/(used in) Operating Activities	<u>2,030,208</u>	<u>410,552</u>	<u>-</u>	<u>-</u>	<u>2,440,760</u>
<u>Cash Flows From Investing Activities</u>					
Purchase of Property, Plant and Equipment	(181,560)	-	-	-	(181,560)
Investments in Subsidiaries	-	-	-	-	-
Net Cash Provided by/(used in) Investing Activities	<u>(181,560)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(181,560)</u>
<u>Cash Flows From Financing Activities</u>					
Paycheck Protection Program (PPP) Loan Forgiven	(625,000)	(262,500)	-	-	(887,500)
Dividend Distribution to Saksoft, India	(650,000)	-	-	-	(650,000)
Loan Proceeds received from Saksoft Pte Limited	-	-	-	-	-
Loan Proceeds received from Acuma Solutions Limited	-	-	-	-	-
TAB Bank Factoring	-	-	-	-	-
Net Cash Provided by/(used in) Financing Activities	<u>(1,275,000)</u>	<u>(262,500)</u>	<u>-</u>	<u>-</u>	<u>(1,537,500)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	573,648	148,052	-	-	721,700
Cash and Cash Equivalents: Beginning of Year	<u>1,473,826</u>	<u>701,965</u>	<u>46,095</u>	<u>-</u>	<u>2,221,886</u>
Cash and Cash Equivalents: End of Year	<u>\$ 2,047,474</u>	<u>\$ 850,017</u>	<u>\$ 46,095</u>	<u>\$ -</u>	<u>\$ 2,943,586</u>
Supplementary Disclosure					
Cash paid for income taxes	<u>\$ 128,344</u>	<u>\$ 10,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,788</u>
Cash paid for interest	<u>\$ 5,255</u>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,307</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, 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	-	(125)	-	6,406
Accrued Income Tax Liability	12,824	5,264	-	-	18,088
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 India	-	-	-	-	-
Loan Proceeds received from Saksoft Pte Limited	-	-	-	-	-
Loan Proceeds received from Acuma Solutions Limited	-	-	-	-	-
TAB Bank Factoring	-	(33,978)	-	-	(33,978)
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	<u>627,058</u>	<u>119,677</u>	<u>46,095</u>	<u>-</u>	<u>792,830</u>
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>
Supplementary Disclosure					
Cash paid for income taxes	<u>\$ 75,364</u>	<u>\$ 264</u>	<u>\$ 925</u>	<u>\$ -</u>	<u>\$ 76,553</u>
Cash paid for interest	<u>\$ 5,545</u>	<u>\$ 2,408</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,953</u>

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