

**SAKSOFT, INC.**

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

**MARCH 31, 2023 AND 2022**

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**SAKSOFT, INC.**

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## **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, 2023 and 2022, 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, 2023 and 2022, 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.



***Balachandar Jayaraman CPA LLC***  
Colonia, New Jersey  
May 24, 2023

**SAKSOFT, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**March 31, 2023 and 2022**

	2023	2022
<b><u>Assets</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	\$ 3,338,025	\$ 2,943,586
Accounts Receivable, Net of Allowance for Doubtful Debts \$ 72,792 and \$ 139,860	5,583,732	4,315,478
Accounts Receivable - Affiliate	-	-
Accounts Receivable - Other	-	39,565
Unbilled Revenues (Contract Assets)	726,657	543,349
Prepaid Expenses	37,890	58,839
Prepaid Income Tax	-	-
Employee Advances	11,333	1,500
Total Current Assets	9,697,637	7,902,317
<b><u>Property and Equipment</u></b>		
Property and Equipment	127,161	190,166
Less: Accumulated Depreciation	(26,728)	(37,468)
Total Property and Equipment	100,433	152,698
<b><u>Noncurrent Assets</u></b>		
Deferred Tax Asset	119,918	123,451
Security Deposits	10,076	10,076
Asset Purchase net of Amortization	-	-
Goodwill	2,056,488	2,056,488
Investments in Subsidiaries	-	-
Total Noncurrent Assets	2,186,482	2,190,015
<b>Total Assets</b>	<b>\$ 11,984,552</b>	<b>\$ 10,245,030</b>
 <b><u>Liabilities and Stockholder's Equity</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	\$ 803,383	\$ 1,298,578
Accounts Payable - Parent Company	1,252,216	874,954
Accounts Payable - Affiliates	1,382,625	1,096,480
Unearned Revenues (Contract Liabilities)	587,165	14,670
Accrued Income Tax Liability	230,344	238,589
Accrued Expenses	1,345,319	1,387,089
Current Lease Liabilities	61,673	40,980
Paycheck Protection Program (PPP) ( Loan)	-	-
Factoring Loan Payable - TAB Bank	-	-
Total Current Liabilities	5,662,725	4,951,340
<b><u>Long Term Liabilities</u></b>		
Non-Current Lease Liabilities	61,213	122,886
Total Long Term Liabilities	61,213	122,886
<b><u>Stockholder's Equity</u></b>		
Common Stock - Authorized 1,000,000 Shares, no par value, and Issued 195,000 Shares	195,000	195,000
Additional Paid-in Capital	-	-
Retained Earnings	6,065,614	4,975,804
Total Stockholder's Equity	6,260,614	5,170,804
<b>Total Liabilities and Stockholder's Equity</b>	<b>\$ 11,984,552</b>	<b>\$ 10,245,030</b>

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

**SAKSOFT, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**For the Years Ended March 31, 2023 and 2022**

	2023	2022
<u>Operating Revenues</u>		
Sales Revenues	\$ 30,090,676	\$ 22,431,155
Total Operating Revenues	30,090,676	22,431,155
Cost of Sales (Schedule I)	(27,394,968)	(20,705,838)
Gross Profit/(Loss)	2,695,708	1,725,317
Operating Expenses (Schedule II)	(1,299,628)	(678,348)
Income/(Loss) from Operations	1,396,080	1,046,969
<u>Other Non-Operating Income/Expenses</u>		
PPP Loan / Interest Forgiven	-	895,338
Other Income/ Reimbursements	103,826	38,071
Interest Expense	(8,192)	(5,307)
Income/(Loss) before provision for Income Taxes	1,491,714	1,975,071
Provision for Income Taxes (Expense)/Benefit	(401,904)	(248,418)
<b>Net Income/(Loss)</b>	<b>\$ 1,089,810</b>	<b>\$ 1,726,653</b>

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

**SAKSOFT, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY**  
**For the Years Ended March 31, 2023 and 2022**

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
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 April 1, 2022	195,000	-	4,975,804	5,170,804
<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.	-	-	1,043,003	1,043,003
Nanda Infotech Services, Inc.	-	-	47,607	47,607
Faichi Solutions Inc	-	-	(800)	(800)
<b>Balance at March 31, 2023</b>	<b>\$ 195,000</b>	<b>\$ -</b>	<b>\$ 6,065,614</b>	<b>\$ 6,260,614</b>

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



**SAKSOFT, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Years Ended March 31, 2023 and 2022**

	2023	2022
<b><u>Cash Flows From Operating Activities</u></b>		
Net Income	\$ 1,089,810	\$ 1,726,653
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:		
Depreciation/Amortization Expense	52,265	30,890
<u>(Increase)/Decrease in:</u>		
Accounts Receivable	(1,268,254)	(1,195,704)
Accounts Receivable - Affiliate	(32,869)	45,664
Accounts Receivable - Other	39,565	235,601
Unbilled Revenues (Contract Asset)	(183,308)	(435,291)
Prepaid Expenses	20,949	(33,753)
Prepaid Income Tax	-	6,184
Employee Advances/ Other Receivable	(9,833)	(1,500)
Deferred Tax Asset	3,533	(30,553)
Security Deposits	-	200
<u>Increase/(Decrease) in:</u>		
Accounts Payable	(495,195)	591,675
Accounts Payable - Parent Company	377,262	99,637
Accounts Payable - Affiliates	319,014	520,676
Unearned Revenues (Contract Liabilities)	572,495	6,270
Accrued Income Tax Liability	(8,245)	133,999
Accrued Expenses	(41,770)	576,246
Current Lease Liabilities	20,693	40,980
Non-Current Lease Liabilities	(61,673)	122,886
Net Cash Provided by/(used in) Operating Activities	394,439	2,440,760
<b><u>Cash Flows From Investing Activities</u></b>		
Purchase of Property, Plant and Equipment	-	(181,560)
Intangible Asset Purchase	-	-
Investments in Subsidiaries	-	-
Net Cash Provided by/(used in) Investing Activities	-	(181,560)
<b><u>Cash Flows From Financing Activities</u></b>		
Loan Proceeds received from Dream Orbit Inc	-	-
Due to Former Member	-	-
Paycheck Protection Program (PPP) Loan Forgiven	-	(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)
Net Increase/(Decrease) in Cash and Cash Equivalents	394,439	721,700
Cash and Cash Equivalents: Beginning of Year	2,943,586	2,221,886
Cash and Cash Equivalents: End of Year	<b>\$ 3,338,025</b>	<b>\$ 2,943,586</b>
<b>Supplementary Disclosure:</b>		
Cash paid for income taxes	\$ 406,616	\$ 138,788
Cash paid for interest	\$ 8,192	\$ 5,307

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

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

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, 2023 and 2022. 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, 2023 AND 2022**

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022, the Company had cash balances in excess of federal insurance limits.

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, 2023 and 2022, 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, 2023 AND 2022**

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, 2023 AND 2022**

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, 2020.

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 24, 2023).

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

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

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. 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.

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

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, 2023 and 2022. A summary of the total insured and uninsured cash balances as per bank statements, as of March 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Carrying Value	\$ 3,338,025	\$ 2,947,995
Portion insured by FDIC	<u>582,311</u>	<u>663,205</u>
Portion uninsured by FDIC	<u>\$ 2,755,714</u>	<u>\$ 2,284,790</u>

Balances as per books amounted to \$ 3,338,025 and \$2,943,586 as of March 31, 2023 and 2022 respectively.

Note 4. Accounts Receivable

Accounts receivable includes billing done for professional services provided to several customers. As of March 31, 2023 and 2022, accounts receivable net of allowance for doubtful debt amounted to \$5,583,732 and \$ 4,315,478, respectively. Four Saksoft customers owed a total of 45% and 40% of the accounts receivable as of March 31, 2023 and 2022, respectively. Sales to four Saksoft customers accounted for 40% and 52% of the total sales for the years ended March 31, 2023 and 2022, 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, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Saksoft Inc	\$ -	\$ 67,068
Nanda Infotech Services Inc	72,792	72,792
Faichi Inc	<u>-</u>	<u>-</u>
	<u>\$ 72,792</u>	<u>\$ 139,860</u>

Bad debt write off amounted to \$67,068 and \$ -0- for the years ended March 31, 2023 and 2022, respectively. Provision for Doubtful Debts recorded during the year ended March 31, 2023 and 2022 amounted to \$722 and \$-0-, respectively.

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

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 \$39,196 and \$6,327 respectively, as of March 31, 2023 and 2022. 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 \$-0- and \$39,565 as of March 31, 2023 and 2022, respectively.

Note 7. Unbilled Revenues (Contract Assets)

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 (Contract Assets). As of March 31, 2023 and 2022, unbilled revenues (Contract Assets) amounted to the following:

	<u>2023</u>	<u>2022</u>
Unbilled Revenues (Contract Assets)	\$ 726,657	\$ 543,349

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, 2023 and 2022, prepaid expenses amounted to the following:

	<u>2023</u>	<u>2022</u>
Prepaid Expenses	\$ 37,890	\$ 58,839

Note 9. Prepaid Income Tax

As of March 31, 2023 and 2022, prepaid income taxes amounted to \$ -0- and \$ -0-, respectively.

Note 10. Deferred Tax Asset

As of March 31, 2023 and 2022, deferred tax assets amounted to \$ 119,918 and \$ 123,451, 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, 2023 AND 2022**

Note 11. Employee Advances/ Other Receivable

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 and interest receivable from bank on certificate of deposit. As of March 31, 2023 and 2022, employee advances/ other receivable amounted to \$11,333 and \$ 1,500, respectively. These advances bear no interest.

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, 2023 and 2022, property and equipment consisted of the following:

	<u>2023</u>	<u>2022</u>
Computer Equipment	\$ 5,047	\$ 16,459
Office Equipment/Furniture	11,692	11,805
Leasehold Improvements	11,755	11,755
Less: Accumulated Depreciation	(26,728)	(37,468)
Rights to Use Asset, net of		
Accumulated Amortization \$51,480 and \$30,030	98,667	150,147
Total	<u>\$ 100,433</u>	<u>\$ 152,698</u>

Depreciation expense for the years ended March 31, 2023 and 2022 was \$785 and \$ 860, respectively. Amortization expense on Right to Use Assets for the years ended March 31, 2023 and 2022 was \$51,480 and \$ 30,030, 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, 2023 and 2022, the balances amounted to \$10,076 and \$ 10,076, respectively.

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

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, 2023 and 2022, amortization expense amounted to \$-0- and \$-0- respectively, including the write down described above. The accumulated amortization amount and the net book value were \$-0- and \$ 467,428 as of March 31, 2023 and 2022 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.

As of March 31, 2023, 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, 2023 and 2022 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, 2023 and 2022.

The total goodwill in the consolidated financial statements as of March 31, 2023 and 2022 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.

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

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

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, 2023 and 2022 and deemed that no impairment occurred as of March 31, 2023 and 2022. Saksoft did not make any contributions to Nanda for the years ended March 31, 2023 and 2022. 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, 2023 and 2022, the balances amounted to \$ 803,383 and \$ 1,298,578 respectively.

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, 2023 and 2022, accounts payable – parent company amounted to \$1,252,216 and \$874,954 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, 2023 and 2022, accounts payable – parent company amounted to \$ 6,327 and \$ 6,327, 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, 2023 and 2022, accounts payable- Affiliates amounted to \$ 1,382,625 and \$ 1,096,480 respectively. \$32,869 and \$-0- were eliminated in consolidation as of March 31, 2023 and 2022 respectively.

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

Note 19. Unearned Revenues (Contract Liabilities)

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 Unearned Revenues (Contract Liabilities). As of March 31, 2023 and 2022, Unearned Revenues (Contract Liabilities), is as follows:

	<u>2023</u>	<u>2022</u>
Unearned Revenues (Contract Liabilities)	<u>\$ 587,165</u>	<u>\$ 14,670</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, 2023 and 2022, they amounted to \$ 230,344 and \$ 238,589 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, 2023 and 2022, accrued expenses amounted to \$ 1,345,319 and \$ 1,387,087 respectively.

Note 22. 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 23. 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, 2023, the discount rate was 7.0%. The factoring agreement was terminated effective December 6, 2022. The advance percentage is 85% of the accounts receivable placed with TAB bank. As of March 31, 2023 and 2022, TAB Bank owed Nanda \$-0-and \$ 39,565, which are therefore, included in Accounts Receivable-Other. Finance charges amounted to \$ -0-and \$ 52 for the years ended March 31, 2023 and 2022, respectively.

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

Note 24. 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 2 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, 2023 and 2022. Interest expenses related to the operating lease amounted to \$8,192 and \$5,255 for years ended March 31, 2023 and 2022 respectively. Amortization expenses related to the operating lease amounted to \$51,480 and \$30,030 for years ended March 31, 2023 and 2022 respectively. The Company does not have any finance leases.

	<u>2023</u>	<u>2022</u>
<u>Operating Leases</u>		
Operating Lease right of use assets	\$ 180,177	\$ 180,177
Less: Accumulated Amortization	(81,510)	(30,030)
Operating Lease right of use assets, net	<u>\$ 98,667</u>	<u>\$ 150,147</u>
Current Lease liabilities	\$ 61,673	\$ 40,980
Non-current Lease liabilities	61,213	122,886
Total operating lease liabilities	<u>\$ 122,886</u>	<u>\$ 163,866</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>2023</u>	<u>2022</u>
<u>Weighted Average Remaining Lease Term</u>		
Operating leases	1.9 years	2.9 years
Finance leases	N/A	N/A
<u>Weighted Average Discount Rate</u>		
Operating leases	5.0%	5.0%
Finance leases	N/A	N/A

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

Note 24. Leasing Activities (cont'd)

The maturities of lease liabilities as of March 31, 2023 are as follows:

Year ending:	<u>Operating</u>	<u>Finance</u>
2024	\$ 67,817	\$ -
2025	63,951	-
	-	-
Thereafter	-	-
Total lease payments	<u>131,768</u>	<u>-</u>
Less: interest	<u>(8,882)</u>	
Present value of lease liabilities	<u>\$ 122,886</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>2023</u>	<u>2022</u>
Operating lease expense	\$ 101,833	\$ 119,092
Amortization of right of use asset	<u>\$ 51,480</u>	<u>\$ 30,030</u>
Finance lease expense	<u>-</u>	<u>-</u>

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

	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 151,006	\$ 140,759
Operating cash flows from finance leases	-	-
Financing cash flows from finance leases	-	-
Lease assets obtained in exchange for lease obligations:		
Operating lease	98,667	150,147
Finance lease	-	-

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

Note 24. 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-24	<u>\$ 72,000</u>
Total	<u><u>\$ 72,000</u></u>

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

Year Ending:	<u>Amount</u>
31-Mar-24	<u><u>\$ 3,417</u></u>

Nanda's office lease in Bensalem, Pennsylvania was automatically renewed for another year till March 31, 2024. Future minimum lease payments on Nanda's Bensalem, PA office lease are as follows:

31-Mar-24	<u><u>\$9,900</u></u>
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Note 25. Income Taxes

The Company files income tax returns in the U.S. federal and various state jurisdictions. During the years ended March 31, 2023 and 2022, the Company's federal and state tax expense / (benefit) amounted to \$401,904 and \$248,418, respectively. Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Corporation's assets and liabilities. Differences are primarily attributable to allowances for doubtful debts, variable pay and sales incentive accrual, book and tax depreciation/amortization amounts, and lease liability interest, amortization and related payments.

For the years ended March 31, 2023 and 2022, the effective current tax rate approximated the combined federal and state statutory rate of 28.5%. The deferred income tax assets recognized in the balance sheets at March 31, 2023 and 2022, were \$119,918 and \$123,451 respectively.

**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

Note 25. Income Taxes (cont'd)

Management has determined that no valuation allowance related to deferred tax assets is necessary at March 31, 2023 and 2022. The Company is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years ended before March 31, 2020. No significant interests and penalties related to taxes were incurred or accrued. Current and Deferred taxes are as follows:

	<u>2023</u>	<u>2022</u>
State Tax Current	\$132,743	\$93,507
Federal Tax Current	265,627	185,464
Total Tax Current	<u>\$398,370</u>	<u>\$278,971</u>
State Tax Deferred	(6,257)	(11,329)
Federal Tax Deferred	9,791	(19,224)
Total	<u>\$ 401,904</u>	<u>\$ 248,418</u>

Note 26. 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. As of March 31, 2023 and 2022, uninsured cash balances amounted to \$ 2,755,714 and \$ 2,284,790, respectively (as shown in Note 3). Business concentrations relating to sales and accounts receivable were discussed in detail in Note 4.

Note 27. Sources and Timing of Revenue Recognition

The Company provided software services to customers during the fiscal years ended March 31, 2023 and 2022, as shown below:

<u>Segments</u>	<u>2023</u>	<u>2022</u>
Service Transferred Over Time		
Saksoft Inc	29,171,311	21,180,735
Nanda Infotech Services Inc	1,336,475	1,405,652
Faichi Solutions Inc	-	-
Elimination	(417,110)	(155,232)
Total	<u>\$ 30,090,676</u>	<u>\$ 22,431,155</u>



**SAKSOFT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

Note 27. Sources and Timing of Revenue Recognition (cont'd)

	<u>2023</u>	<u>2022</u>
<u>Geographic Markets</u>		
North America		
Saksoft Inc	29,145,026	20,955,423
Nanda Infotech Services Inc	1,336,475	1,405,652
International - Saksoft	26,285	225,312
Elimination	(417,110)	(155,232)
Total	\$ 30,090,676	\$ 22,431,155

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, 2023 and 2022, Saksoft-India and other related companies together billed \$ 15,873,799 and \$ 10,084,047, respectively for off-shore consulting services, marketing and travel related expenses as well as management and accounting services to Saksoft. Intercompany billing to Saksoft from Nanda amounted to \$345,038 and \$155,232, for the years ended March 31, 2023 and 2022, which are eliminated in the consolidated financials. Intercompany billing to Nanda from Saksoft amounted to \$72,072 and \$-0-, for the years ended March 31, 2023 and 2022, which are eliminated in the consolidated financials.

Accounts Payable due to Saksoft-India as of March 31, 2023 and 2022 were \$ 1,252,216 and \$ 874,954, respectively. Accounts Payable due to Affiliates as of March 31, 2023 and 2022 were \$ 1,382,625 and \$ 1,096,480, 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 \$ 39,196 and \$ 6,327 were eliminated during consolidation as of March 31, 2023 and 2022, respectively.

Note 29. Risks and Uncertainties

Currently, recession risks are considered higher in the technology space. If the US economy deteriorates during the recession, risks associated with the customer's budget on technology spending may affect the company's business in the near future. The company has sufficient capital and retained earnings to avoid any potential going concern issues within the one year period after the date the financial statements are available to be issued.

Note 30. Subsequent Events

No Significant subsequent events were identified by management.

**SAKSOFT, INC.**  
**SCHEDULE I - CONSOLIDATING COST OF SALES**  
**For the Year Ended March 31, 2023**

	Saksoft	Nanda	Faichi	Elimination	Total 2023
<u>Costs of Sales</u>					
Payroll Expenses & Related Taxes	\$ 2,255,143	\$ 1,111,177	\$ -	\$ -	\$ 3,366,320
Intercompany Software Services	15,873,799	72,072	-	(417,110)	15,528,761
Consulting & Other Expenses	8,470,452	29,435	-	-	8,499,887
 Total Cost of Sales	 <b>\$ 26,599,394</b>	 <b>\$ 1,212,684</b>	 <b>\$ -</b>	 <b>\$ (417,110)</b>	 <b>\$ 27,394,968</b>

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, 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	 <b><u>\$ 19,635,639</u></b>	 <b><u>\$ 1,225,431</u></b>	 <b><u>\$ -</u></b>	 <b><u>\$ (155,232)</u></b>	 <b><u>\$ 20,705,838</u></b>

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, 2023**

	Saksoft	Nanda	Faichi	Elimination	Total 2023
<u>Operating Expenses</u>					
Professional Fees	\$ 52,772	\$ 20,482	\$ -	\$ -	\$ 73,254
Professional Fees - Affiliate	-	-	-	-	-
Amortization	-	-	-	-	-
Business Promotion/ Travel Expenses	555,001	-	-	-	555,001
Employee Benefits	90,301	21,256	-	-	111,557
Rent	91,933	9,900	-	-	101,833
Dues and Subscriptions	40,824	-	-	-	40,824
Insurance	39,318	9,875	-	-	49,193
Telephone / Cloud Services	304,324	2,438	-	-	306,762
Bank Service Charges	2,158	1,617	-	-	3,775
Recruitment Expenses	-	-	-	-	-
Depreciation/ Amortization	52,265	-	-	-	52,265
Postage and Delivery	771	-	-	-	771
Licenses and permits	-	-	-	-	-
Allowance for doubtful debts	722	-	-	-	722
Printing and Reproduction	-	-	-	-	-
Office Supplies and Expenses	2,996	675	-	-	3,671
Total Operating Expenses	<u>\$ 1,233,385</u>	<u>\$ 66,243</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,299,628</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, 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 III - CONSOLIDATING BALANCE SHEETS**  
**March 31, 2023**

<u>Assets</u>	Saksoft	Nanda	Faichi	Elimination	Total 2023
<b><u>Current Assets</u></b>					
Cash and Cash Equivalents	\$ 2,291,213	\$ 1,000,717	\$ 46,095	\$ -	\$ 3,338,025
Accounts Receivable, Net of Allowance for Doubtful Debts	5,296,547	287,185	-	-	5,583,732
\$-0-, \$72,792 and -0-				-	-
Accounts Receivable - Affiliate	6,327	32,869	-	(39,196)	-
Accounts Receivable - Other/ TAB Bank	-	-	-	-	-
Unbilled Revenues (Contract Assets)	726,657	-	-	-	726,657
Prepaid Expenses	31,994	5,896	-	-	37,890
Prepaid Income Tax	-	-	-	-	-
Employee Advances/ Other Receivable	1,661	9,672	-	-	11,333
Total Current Assets	<u>8,354,399</u>	<u>1,336,339</u>	<u>46,095</u>	<u>(39,196)</u>	<u>9,697,637</u>
<b><u>Property and Equipment</u></b>					
Property and Equipment	114,283	12,878	-	-	127,161
Less: Accumulated Depreciation	(13,850)	(12,878)	-	-	(26,728)
Total Property and Equipment	<u>100,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,433</u>
<b><u>Noncurrent Assets</u></b>					
Deferred Tax Asset	52,528	67,390	-	-	119,918
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>2,425,394</u>	<u>195,710</u>	<u>-</u>	<u>(434,622)</u>	<u>2,186,482</u>
<b>Total Assets</b>	<b><u>\$ 10,880,226</u></b>	<b><u>\$ 1,532,049</u></b>	<b><u>\$ 46,095</u></b>	<b><u>\$ (473,818)</u></b>	<b><u>\$ 11,984,552</u></b>
<b><u>Liabilities and Stockholder's Equity</u></b>					
<b><u>Current Liabilities</u></b>					
Accounts Payable	\$ 803,383	\$ -	-	\$ -	\$ 803,383
Accounts Payable - Parent Company	1,252,216	-	6,327	(6,327)	1,252,216
Accounts Payable - Affiliates	1,415,494	-	-	(32,869)	1,382,625
Unearned Revenues (Contract Liabilities)	587,165	-	-	-	587,165
Accrued Income Tax Liability	176,304	49,070	4,970	-	230,344
Accrued Expenses	1,011,484	333,835	-	-	1,345,319
Current Lease Liabilities	61,673	-	-	-	61,673
Paycheck Protection Program (PPP) Loan	-	-	-	-	-
Factoring Loan Payable - TAB Bank	-	-	-	-	-
Total Current Liabilities	<u>5,307,719</u>	<u>382,905</u>	<u>11,297</u>	<u>(39,196)</u>	<u>5,662,725</u>
<b><u>Long Term Liabilities</u></b>					
Non-Current Lease Liabilities	61,213	-	-	-	61,213
Total Long Term Liabilities	<u>61,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,213</u>
<b><u>Stockholder's Equity</u></b>					
Common Stock - Authorized 1,000,000 Shares, no par value, and Issued 195,000 Shares	195,000	100	1,469	(1,569)	195,000
Additional Paid-In Capital	-	-	-	-	-
Retained Earnings	5,316,294	1,149,044	33,329	(433,053)	6,065,614
Total Stockholder's Equity	<u>5,511,294</u>	<u>1,149,144</u>	<u>34,798</u>	<u>(434,622)</u>	<u>6,260,614</u>
<b>Total Liabilities and Stockholder's Equity</b>	<b><u>\$ 10,880,226</u></b>	<b><u>\$ 1,532,049</u></b>	<b><u>\$ 46,095</u></b>	<b><u>\$ (473,818)</u></b>	<b><u>\$ 11,984,552</u></b>

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
<b><u>Current Assets</u></b>					
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 (Contract Assets)	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>
<b><u>Property and Equipment</u></b>					
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>
<b><u>Noncurrent Assets</u></b>					
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>
<b>Total Assets</b>	<b><u>\$ 9,213,863</u></b>	<b><u>\$ 1,426,021</u></b>	<b><u>\$ 46,095</u></b>	<b><u>\$ (440,949)</u></b>	<b><u>\$ 10,245,030</u></b>
<b><u>Liabilities and Stockholder's Equity</u></b>					
<b><u>Current Liabilities</u></b>					
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
Unearned Revenues (Contract Liabilities)	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>
<b><u>Long Term Liabilities</u></b>					
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>
<b><u>Stockholder's Equity</u></b>					
Common Stock - Authorized 1,000,000 Shares, no par value, and Issued 195,000 Shares	195,000	100	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>
<b>Total Liabilities and Stockholder's Equity</b>	<b><u>\$ 9,213,863</u></b>	<b><u>\$ 1,426,021</u></b>	<b><u>\$ 46,095</u></b>	<b><u>\$ (440,949)</u></b>	<b><u>\$ 10,245,030</u></b>

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

**SAKSOFT, INC.**  
**SCHEDULE IV - CONSOLIDATING STATEMENTS OF INCOME**  
**For the Year Ended March 31, 2023**

	Saksoft	Nanda	Faichi	Elimination	Total 2023
<u>Operating Revenues</u>					
Sales Revenues	\$ 29,171,311	\$ 1,336,475	\$ -	\$ (417,110)	\$ 30,090,676
Total Operating Revenues	29,171,311	1,336,475	-	(417,110)	30,090,676
Cost of Sales (Schedule I)	(26,599,394)	(1,212,684)	-	417,110	(27,394,968)
Gross Profit/(Loss)	2,571,917	123,791	-	-	2,695,708
Operating Expenses (Schedule II)	(1,233,385)	(66,243)	-	-	(1,299,628)
Income/(Loss) from Operations	1,338,532	57,548	-	-	1,396,080
<u>Other Non-Operating Income/Expenses</u>					
PPP Loan / Interest Forgiven	-	-	-	-	-
Other Income/ Reimbursements	103,826	-	-	-	103,826
Interest Expense	(8,192)	-	-	-	(8,192)
Income/(Loss) before provision for Income Taxes	1,434,166	57,548	-	-	1,491,714
Provision for Income Taxes (Expense)/Benefit	(391,163)	(9,941)	(800)	-	(401,904)
<b>Net Income/(Loss)</b>	<b>\$ 1,043,003</b>	<b>\$ 47,607</b>	<b>\$ (800)</b>	<b>\$ -</b>	<b>\$ 1,089,810</b>

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



**SAKSOFT, INC.**  
**SCHEDULE IV - CONSOLIDATING STATEMENTS OF INCOME**  
**For the Year Ended March 31, 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)
<b>Net Income/(Loss)</b>	<b>\$ 1,395,945</b>	<b>\$ 331,508</b>	<b>\$ (800)</b>	<b>\$ -</b>	<b>\$ 1,726,653</b>

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

**SAKSOFT, INC.**  
**SCHEDULE V - CONSOLIDATING STATEMENTS OF CASH FLOWS**  
**For the Year Ended March 31, 2023**

	Saksoft	Nanda	Faichi	Elimination	Total 2023
<b><u>Cash Flows From Operating Activities</u></b>					
Net Income	\$ 1,043,003	\$ 47,607	\$ (800)	\$ -	\$ 1,089,810
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:					
Depreciation/Amortization Expense	52,265	-	-	-	52,265
<b><u>(Increase)/Decrease in:</u></b>					
Accounts Receivable	(1,308,996)	40,742	-	-	(1,268,254)
Accounts Receivable - Affiliate	-	(32,869)	-	-	(32,869)
Accounts Receivable - Other	-	39,565	-	-	39,565
Unbilled Revenues (Contract Assets)	(183,308)	-	-	-	(183,308)
Prepaid Expenses	13,800	7,149	-	-	20,949
Prepaid Income Tax	-	-	-	-	-
Employee Advances/ Other Receivable	(161)	(9,672)	-	-	(9,833)
Deferred Tax Asset	3,776	(243)	-	-	3,533
Security Deposits	-	-	-	-	-
<b><u>Increase/(Decrease) in:</u></b>					
Accounts Payable	(495,195)	-	-	-	(495,195)
Accounts Payable - Parent Company	377,262	-	-	-	377,262
Accounts Payable - Affiliates	319,014	-	-	-	319,014
Unearned Revenues (Contract Liabilities)	572,495	-	-	-	572,495
Accrued Income Tax Liability	6,519	(15,564)	800	-	(8,245)
Accrued Expenses	(115,755)	73,985	-	-	(41,770)
Current Lease Liabilities	20,693	-	-	-	20,693
Non-Current Lease Liabilities	(61,673)	-	-	-	(61,673)
Net Cash Provided by/(used in) Operating Activities	<u>243,739</u>	<u>150,700</u>	<u>-</u>	<u>-</u>	<u>394,439</u>
<b><u>Cash Flows From Investing Activities</u></b>					
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>
<b><u>Cash Flows From Financing Activities</u></b>					
Paycheck Protection Program (PPP) Loan Forgiven	-	-	-	-	-
Dividend Distribution to Saksoft, India	-	-	-	-	-
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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	243,739	150,700	-	-	394,439
Cash and Cash Equivalents: Beginning of Year	<u>2,047,474</u>	<u>850,017</u>	<u>46,095</u>	<u>-</u>	<u>2,943,586</u>
Cash and Cash Equivalents: End of Year	<u>\$ 2,291,213</u>	<u>\$ 1,000,717</u>	<u>\$ 46,095</u>	<u>\$ -</u>	<u>\$ 3,338,025</u>
<b>Supplementary Disclosure</b>					
Cash paid for income taxes	<u>\$ 380,868</u>	<u>\$ 25,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 406,616</u>
Cash paid for interest	<u>\$ 8,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,192</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, 2022**

	Saksoft	Nanda	Faichi	Elimination	Total 2022
<b><u>Cash Flows From Operating Activities</u></b>					
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
<b><u>(Increase)/Decrease in:</u></b>					
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 (Contract Assets)	(435,291)	-	-	-	(435,291)
Prepaid Expenses	(20,708)	(13,045)	-	-	(33,753)
Prepaid Income Tax	6,184	-	-	-	6,184
Employee Advances/ Other Receivable	(1,500)	-	-	-	(1,500)
Deferred Tax Asset	(10,089)	(20,464)	-	-	(30,553)
Security Deposits	200	-	-	-	200
<b><u>Increase/(Decrease) in:</u></b>					
Accounts Payable	591,675	-	-	-	591,675
Accounts Payable - Parent Company	132,629	(32,992)	-	-	99,637
Accounts Payable - Affiliates	520,676	-	-	-	520,676
Unearned Revenues (Contract Liabilities)	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>
<b><u>Cash Flows From Investing Activities</u></b>					
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>
<b><u>Cash Flows From Financing Activities</u></b>					
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>
<b>Supplementary Disclosure</b>					
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>

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