

SAKSOFT, INC.

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

MARCH 31, 2025 AND 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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 27 to 36) 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 dark ink, reading "Balachandar Jayaraman", is written over a light blue horizontal line.

Balachandar Jayaraman CPA LLC
Colonia, New Jersey
May 23, 2025

SAKSOFT, INC.
CONSOLIDATED BALANCE SHEETS
March 31, 2025 and 2024

	2025	2024 (Restated)
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 2,632,331	\$ 2,710,946
Accounts Receivable, Net of Allowance for Credit Losses \$ 447,386 and \$-0-	4,563,410	5,692,028
Accounts Receivable - Affiliate	109,814	20,849
Unbilled Revenues (Contract Assets)	358,788	734,937
Prepaid Expenses	581,035	287,556
Prepaid Income Tax	-	-
Other Loans and Advances, Net of Allowance for Credit Losses \$151,536 and \$-0-	45,915	166,066
Employee Advances/ Other Receivable	10,650	8,325
Total Current Assets	<u>8,301,943</u>	<u>9,620,707</u>
<u>Property and Equipment</u>		
Property and Equipment	222,834	78,372
Less: Accumulated Depreciation	<u>(29,518)</u>	<u>(27,857)</u>
Total Property and Equipment	<u>193,316</u>	<u>50,515</u>
<u>Noncurrent Assets</u>		
Deferred Tax Asset	379,404	94,479
Security Deposits	11,245	10,076
Restricted Cash	357,729	81,867
Intangible Asset Purchase net of Accumulated Amortization	-	-
Goodwill	16,057,806	16,057,806
Investments in Subsidiaries	<u>19,105</u>	<u>19,105</u>
Total Noncurrent Assets	<u>16,825,289</u>	<u>16,263,333</u>
Total Assets	<u>\$ 25,320,548</u>	<u>\$ 25,934,555</u>
<u>Liabilities and Stockholder's Equity</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 881,269	\$ 1,285,336
Accounts Payable - Parent Company	1,705,734	755,933
Accounts Payable - Affiliates	4,169,535	3,308,202
Unearned Revenues (Contract Liabilities)	924,790	2,000,882
Accrued Income Tax Liability	268,631	134,265
Accrued Expenses	962,500	1,130,614
Current Lease Liabilities	30,040	61,213
Unamortized Interest on Earnout	-	-
Earnout Payable - Current - Acquisition of Solveda LLC	2,390,695	4,048,133
Loan Payable - Current - RBL Bank	195,000	130,000
Sales Tax Payable	<u>17,583</u>	<u>110,389</u>
Total Current Liabilities	<u>11,545,777</u>	<u>12,964,967</u>
<u>Long Term Liabilities</u>		
Non-Current Lease Liabilities	160,869	-
Loan Payable - Acuma Solutions Limited	129,351	946,370
Loan Payable - Dreamorbit Inc	1,700,000	1,200,000
Earnout Payable - Acquisition of Solveda LLC	-	2,427,078
Loan Payable - RBL Bank	<u>3,816,669</u>	<u>870,000</u>
Total Long Term Liabilities	<u>5,806,889</u>	<u>5,443,448</u>
<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	<u>7,772,882</u>	<u>7,331,140</u>
Total Stockholder's Equity	<u>7,967,882</u>	<u>7,526,140</u>
Total Liabilities and Stockholder's Equity	<u>\$ 25,320,548</u>	<u>\$ 25,934,555</u>

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, 2025 and 2024

	<u>2025</u>	<u>2024</u> (Restated)
<u>Operating Revenues</u>		
Sales Revenues	\$ 28,118,740	\$ 29,210,582
Total Operating Revenues	<u>28,118,740</u>	<u>29,210,582</u>
Cost of Sales (Schedule I)	(24,133,157)	(25,384,314)
Gross Profit/(Loss)	<u>3,985,583</u>	<u>3,826,268</u>
Operating Expenses (Schedule II)	(3,531,158)	(2,039,279)
Income/(Loss) from Operations	<u>454,425</u>	<u>1,786,989</u>
<u>Other Non-Operating Income/Expenses</u>		
Provision No Longer Required	360,000	-
Other Income/ Reimbursements	82,540	180,640
Interest Expense	(402,517)	(252,908)
Income/(Loss) before provision for Income Taxes	<u>494,448</u>	<u>1,714,721</u>
Provision for Income Taxes (Expense)/Benefit	<u>(52,706)</u>	<u>(449,995)</u>
Net Income/(Loss)	<u>\$ 441,742</u>	<u>\$ 1,264,726</u>

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, 2025 and 2024

	Common Stock	Additional Paid- In Capital	Retained Earnings	Total
Balance at April 1, 2023	\$ 195,000	\$ -	\$ 6,066,414	\$ 6,261,414
<u>Contribution/(Return of Capital)</u>				
Saksoft, Inc.	-	-	-	-
Solveda LLC	2,104,331	-	-	2,104,331
Solveda Acquisition - Retained Earnings	-	-	(1,331,962)	(1,331,962)
<u>Elimination</u>				
Saksoft, Inc.				
Solveda LLC	(2,104,331)	-	-	(2,104,331)
Solveda Acquisition - Retained Earnings	-	-	1,331,962	1,331,962
<u>Dividend Distribution</u>				
Saksoft Ltd - India	-	-	-	-
Solveda LLC	-	-	-	-
<u>Net Income/(Loss)</u>				
Saksoft, Inc.	-	-	1,191,372	1,191,372
Solveda LLC	-	-	73,354	73,354
Balance at March 31, 2024	\$ 195,000	\$ -	\$ 7,331,140	\$ 7,526,140
<u>Contribution/(Return of Capital)</u>				
Saksoft, Inc.	-	-	-	-
Solveda LLC	2,104,331	-	-	2,104,331
Solveda Acquisition - Retained Earnings	-	-	(1,331,962)	(1,331,962)
<u>Elimination</u>				
Saksoft, Inc.				-
Solveda LLC	(2,104,331)	-	-	(2,104,331)
Solveda Acquisition - Retained Earnings	-	-	1,331,962	1,331,962
<u>Dividend Distribution</u>				
Saksoft Ltd - India	-	-	-	-
Solveda LLC	-	-	-	-
<u>Net Income/(Loss)</u>				
Saksoft, Inc.	-	-	(17,707)	(17,707)
Solveda LLC	-	-	459,449	459,449
Balance at March 31, 2025	\$ 195,000	\$ -	\$ 7,772,882	\$ 7,967,882

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, 2025 and 2024

	2025	2024 (Restated)
<u>Cash Flows From Operating Activities</u>		
Net Income	\$ 441,742	\$ 1,264,726
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:		
Depreciation/Amortization Expense	53,375	52,609
<u>(Increase)/Decrease in:</u>		
Accounts Receivable	1,128,618	(108,296)
Accounts Receivable - Affiliate	(201,234)	(17,580)
Accounts Receivable - Other	-	-
Unbilled Revenues (Contract Asset)	376,149	(8,280)
Prepaid Expenses	(293,479)	(249,666)
Prepaid Income Tax	-	-
Other loans and Advances	120,151	(166,066)
Employee Advances/ Other Receivable	(2,325)	3,008
Deferred Tax Asset	(284,925)	25,439
Security Deposits	(1,169)	-
<u>Increase/(Decrease) in:</u>		
Accounts Payable	(404,067)	481,953
Accounts Payable - Parent Company	1,002,290	(476,523)
Accounts Payable - Affiliates	921,113	1,902,548
Unearned Revenues (Contract Liabilities)	(1,076,092)	1,413,717
Accrued Income Tax Liability	134,366	(95,279)
Accrued Expenses	(168,114)	(214,705)
Current Lease Liabilities	(31,173)	(460)
Unamortized Interest Income A/c	-	-
Non-Current Lease Liabilities	68,063	49,176
Net Cash Provided by/(used in) Operating Activities	<u>1,783,289</u>	<u>3,856,321</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of Property, Plant and Equipment	(196,176)	(2,691)
Restricted Certificate of Deposit	(275,862)	(81,867)
Investments in Subsidiaries	-	(14,792,792)
Net Cash Provided by/(used in) Investing Activities	<u>(472,038)</u>	<u>(14,877,350)</u>
<u>Cash Flows From Financing Activities</u>		
Cash Infusion from Acquisition	-	772,369
Dividend Distribution to Saksoft India	-	-
Loan Payable - Acuma Solutions Limited	(817,019)	946,370
Loan Payable - Dreamorbit Inc	500,000	1,200,000
Earnout Payable - Acquisition of Solveda LLC	(4,084,516)	6,475,211
Loan Payable - RBL Bank	3,011,669	1,000,000
Net Cash Provided by/(used in) Financing Activities	<u>(1,389,866)</u>	<u>10,393,950</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(78,615)	(627,079)
Cash and Cash Equivalents: Beginning of Year	<u>2,710,946</u>	<u>3,338,025</u>
Cash and Cash Equivalents: End of Year	<u>\$ 2,632,331</u>	<u>\$ 2,710,946</u>
<u>Supplementary Disclosure:</u>		
Cash paid for income taxes	<u>\$ 203,265</u>	<u>\$ 519,835</u>
Cash paid for interest	<u>\$ 402,517</u>	<u>\$ 252,908</u>

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

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

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.

Both Nanda and Faichi merged with Saksoft as of March 31, 2025. After the merger, investment in these subsidiaries were converted to goodwill at cost basis and the prior year amounts were restated accordingly.

The Company purchased 100 % membership interest of Solveda LLC. effective August 11, 2023. Solveda is a US limited liability company formed in the State of New York. Solveda engages in the development of software for e-commerce customers.

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.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

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

a) Principles of Consolidation

The consolidated financial statements include the activities of the Company and its subsidiary for the fiscal years ended March 31, 2025 and 2024. All intercompany balances, transactions, income and expenses, and profits or losses have been eliminated on consolidation.

b) Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. Accordingly, all significant receivables, payables, and other liabilities are disclosed.

c) Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. 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, 2025 and 2024, cash and cash equivalents consist of deposits with banks in checking accounts, except for a certificate of deposit in a foreign bank account as a security. 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, 2025 and 2024, there were no restricted cash balances, except for a certificate of deposit in a foreign bank account. The certificate of deposit is considered as restricted cash.

e) Accounts Receivable

Trade accounts receivables 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.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

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

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. Majority of the cash and cash equivalents are deposited with federally insured commercial banks in the United States. As of March 31, 2025 and 2024, the Company had cash balances in excess of federal insurance limits, as well as those balances in foreign bank accounts that are not insured.

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, 2025 and 2024, a few customers account for a large portion of the Company's revenues and receivables. The details related to accounts receivable are discussed in Note 4.

g) Property and Equipment

For financial reporting purposes, depreciation of property and equipment is provided on the straight-line method. The estimated useful lives of the assets are as follows: 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 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.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

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

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.

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.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

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

l) Income Taxes (cont'd)

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, 2022.

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 23, 2025).

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.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

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

o) New Accounting Pronouncements (Cont'd)

Accounting for Leases (cont'd)

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.

Financial Instruments/ Credit Losses

In June 2016, the FASB issued ASU 2016-13 (Topic 326), “Financial Instruments/ Credit Losses,” which introduces a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses. The ASU also provides updated guidance regarding the impairment of available-for-sale debt securities and includes additional disclosure requirements.

The standard's main goal is to improve financial reporting by requiring earlier/timely recognition of credit losses on financing receivables and other financial assets in scope. The current expected credit loss standards (CECL) is effective for nonpublic business entities for fiscal years beginning after December 15, 2022.

Upon adoption, ASU 2016-13 provides for a modified retrospective transition by means of a cumulative-effect adjustment to equity as of the beginning of the period in which the guidance is effective, except for debt securities for which an other-than-temporary impairment has previously been recognized. The Company already recorded collection losses for the year ended March 31, 2023, therefore, there was no further impact on the prior year financials, which are required by this new pronouncement.

Improvements to Income Tax Disclosures

The amendments relating to FASB ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures are designed to provide more transparency about income tax information primarily through changes to the rate reconciliation and income taxes paid information.

For entities other than public business entities, the amendments in FASB ASU No. 2023-09 require qualitative disclosures about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory rate and the effective tax rate.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

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

o) New Accounting Pronouncements (Cont’d)

Improvements to Income Tax Disclosures (Cont’d)

All entities are required to disclose the following information on annual basis related to income taxes paid:

- The amount of income taxes paid (net of refunds received) disaggregated by federal, state, and foreign taxes.
- The amount of income taxes paid (net of refunds received) disaggregated by individual jurisdictions in which income taxes paid (net of refunds received) is equal to or greater than 5% of total income taxes paid (net of refunds received)

Other disclosures: All entities are required to disclose the following information:

- Income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign
- Income tax expense (or benefit) from continuing operations disaggregated by federal, state, and foreign

For entities other than public business entities, FASB ASU No. 2023-09 is effective for annual periods beginning after December 15, 2025.

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 most of its cash accounts at US banks, which are guaranteed by the FDIC up to \$ 250,000 as of March 31, 2025 and 2024. A summary of the total insured and uninsured cash balances as per bank statements, as of March 31, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Carrying Value	\$ 2,632,331	\$ 2,710,946
Portion insured by FDIC	<u>555,147</u>	<u>808,848</u>
Portion uninsured by FDIC	<u>\$ 2,077,184</u>	<u>\$ 1,902,098</u>

Balances as per books amounted to \$2,632,331 and \$2,710,946 as of March 31, 2025 and 2024 respectively.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

Note 4. Accounts Receivable

Accounts receivable includes billing done for professional services provided to several customers. As of March 31, 2025 and 2024, accounts receivable net of allowance for credit losses amounted to \$4,563,410 and \$ 5,692,028, respectively. Four Saksoft customers owed a total of 64% and 73% of the accounts receivable as of March 31, 2025 and 2024, respectively. Sales to four Saksoft customers accounted for 66% and 57% of the total sales for the years ended March 31, 2025 and 2024, respectively. Four Solveda customers owed a total of 83% and 98% of the accounts receivable as of March 31, 2025 and 2024, respectively. Sales to four Solveda customers accounted for 88% and 83% of the total sales for the years ended March 31, 2025 and 2024, respectively.

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 details of receivable and allowance for credit loss as of March 31, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Saksoft Inc	\$ 3,900,050	\$ 3,413,348
Allowance for Credit Losses	(447,386)	-
Solveda LLC	<u>1,110,746</u>	<u>2,278,680</u>
	<u>\$ 4,563,410</u>	<u>\$ 5,692,028</u>

Bad debt write off amounted to \$-0- and \$-0- for the years ended March 31, 2025 and 2024, respectively. Provision for credit losses recorded during the year ended March 31, 2025 and 2024 amounted to \$447,386 and \$78,492, respectively.

Note 5. Accounts Receivable - Affiliate

The Company and its affiliates have inter-company transactions for services rendered as well as expenses incurred. Accounts Receivable Affiliates net of elimination amounted to \$109,814 and \$20,849 respectively, as of March 31, 2025 and 2024. Between Saksoft and Solveda, \$78,576 and \$19,760 were eliminated in the consolidated financial statements as of March 31, 2025 and 2024 respectively.

Note 6. Unbilled Revenues (Contract Assets)

In the case of fixed price contracts, revenue is recognized based on the revenue recognition model of ASC 606 and invoices are raised based on the milestones specified in the contracts. 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, 2025 and 2024, unbilled revenues (Contract Assets) amounted to \$358,788 and \$734,937.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

Note 7. 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, 2025 and 2024, prepaid expenses amounted to the following:

	<u>2025</u>	<u>2024</u>
Prepaid Expenses	<u>\$ 581,035</u>	<u>\$ 287,556</u>

Note 8. Prepaid Income Tax

As of March 31, 2025 and 2024, prepaid income taxes amounted to \$ -0- and \$ -0-, respectively.

Note 9. Deferred Tax Asset

As of March 31, 2025 and 2024, deferred tax assets amounted to \$ 379,404 and \$ 94,479, respectively to reflect the timing differences in income tax expenses between the books and tax returns.

Note 10. Other Loans and Advances

As of March 31, 2025 and 2024, other loans and advances net of allowance for credit losses amounted to \$ 45,915 and \$ 166,066, respectively. Allowance for credit losses amounted to \$151,536 and \$-0-, respectively as of the same periods.

Note 11. Employee Advances/ Other Receivables

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, 2025 and 2024, these balances amounted to \$10,650 and \$ 8,325, respectively. These advances bear no interest.

Note 12. Security Deposits

The Company has security deposits with landlords for offices located in New Jersey, Pennsylvania and Illinois. As of March 31, 2025 and 2024, the balances amounted to \$11,245 and \$ 10,076, respectively.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

Note 13. 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, 2025 and 2024, property and equipment consisted of the following:

	<u>2025</u>	<u>2024</u>
Computer Equipment	\$ 13,797	\$ 7,738
Office Equipment/Furniture	11,692	11,692
Leasehold Improvements	11,755	11,755
Less: Accumulated Depreciation	(29,518)	(27,857)
Rights to Use Asset, net of		
Accumulated Amortization \$4,527 and \$132,990	<u>185,590</u>	<u>47,187</u>
Total	<u>\$ 193,316</u>	<u>\$ 50,515</u>

Depreciation expense for the years ended March 31, 2025 and 2024 was \$1,661 and \$ 1,129, respectively. Amortization expense on Right to Use Assets for the years ended March 31, 2025 and 2024 was \$51,714 and \$ 51,480, respectively.

Note 14. Goodwill/ Investments in Subsidiaries

Saksoft acquired 100% shares of Nanda as of December 31, 2012. The excess of amounts paid for the acquisition of 100% shares of Nanda and related costs over the carried forward net assets (equity) of Nanda as of December 31, 2012 is considered as goodwill.

As of March 31, 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, 2025 and 2024 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, 2025 and 2024.

After merger of Nanda and Faichi with Saksoft as of March 31, 2025, investment in these subsidiaries were converted to goodwill at cost basis and the prior year amounts were restated accordingly.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

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

Saksoft acquired 100% membership interest of Solveda LLC as of August 11, 2023. The excess of amounts paid for the acquisition of 100% membership interest of Solveda LLC and related costs over the carried forward net assets (equity) of Solveda LLC as of August 11, 2023 is considered as goodwill.

As of March 31, 2024, the overall acquisition costs amounted to \$14,773,687 and Solveda's equity (\$2,104,331) net of accumulated loss was (\$1,331,962), resulting in goodwill valuation of \$14,001,318.

The total goodwill in the consolidated financial statements as of March 31, 2025 and 2024 amounted to \$ 16,057,806 and \$ 16,057,806 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, 2025 and 2024 and deemed that no impairment occurred as of March 31, 2025 and 2024.

Note 15. Accounts Payable

Accounts payable includes money owed for services rendered by vendors. As of March 31, 2025 and 2024, the balances amounted to \$ 881,269 and \$ 1,285,336 respectively.

Note 16. Accounts Payable – Parent Company

Accounts payable – parent company for Saksoft consisted of balances due to Saksoft-India for services rendered and reimbursement of expenses incurred. As of March 31, 2025 and 2024, accounts payable – parent company amounted to \$1,705,734 and \$755,933 respectively.

For Solveda, Accounts payable – parent company consisted of balances due to Saksoft USA for services rendered and reimbursement of expenses incurred. As of March 31, 2025 and 2024, accounts payable–parent company amounted to \$ 78,576 and \$19,760 respectively. These amounts are eliminated in consolidation.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

Note 17. Accounts Payable – Affiliates

Accounts payable – Affiliates consisted of balances due to related companies such as Three Sixty Logica and Dream Orbit for services rendered and reimbursement of expenses incurred. As of March 31, 2025 and 2024, accounts payable- Affiliates amounted to \$ 4,169,535 and \$ 3,308,202 respectively.

Note 18. Unearned Revenues (Contract Liabilities)

In the case of fixed price contracts, revenue is recognized based on the revenue recognition model of ASC 606 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, 2025 and 2024, Unearned Revenues (Contract Liabilities), is as follows:

	<u>2025</u>	<u>2024</u>
Unearned Revenues (Contract Liabilities)	<u>\$ 924,790</u>	<u>\$ 2,000,882</u>

Note 19. Accrued Income Tax Liability

Accrued income tax liability consists of federal and state corporate income taxes owed by the Company less the amount of estimated tax payments made during the year. As of March 31, 2025 and 2024, they amounted to \$ 268,631 and \$ 134,265 respectively.

Note 20. Accrued Expenses

Accrued expenses include professional fees for services rendered, commissions, employee payroll and taxes, telecommunication, and other expenses incurred during the year. As of March 31, 2025 and 2024, accrued expenses amounted to \$ 962,500 and \$ 1,130,614 respectively.

Note 21. Sales Tax Payable

Sales Tax Payable includes sales tax by Solveda. As of March 31, 2025 and 2024, sales tax payable amounted to \$ 17,583 and \$ 110,389 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.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

Note 23. Leasing Activities

The Company entered into an operating lease for office space in Jersey City, NJ in September 2021. The fourth extension of this lease renewed the term up to August 31, 2028. 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, 2025 and 2024. Interest expenses related to the operating lease amounted to \$3,598 and \$6,144 for years ended March 31, 2025 and 2024 respectively. Amortization expenses related to the operating lease amounted to \$51,714 and \$51,480 for years ended March 31, 2025 and 2024 respectively. The Company does not have any finance leases.

	<u>2025</u>	<u>2024</u>
<u>Operating Leases</u>		
Operating Lease right of use assets	\$ 190,117	\$ 180,177
Less: Accumulated Amortization	<u>(4,527)</u>	<u>(132,988)</u>
Operating Lease right of use assets, net	<u>\$ 185,590</u>	<u>\$ 47,189</u>
 Current Lease liabilities	 \$ 30,040	 \$ 61,213
Non-current Lease liabilities	<u>160,869</u>	<u>-</u>
Total operating lease liabilities	<u>\$ 190,909</u>	<u>\$ 61,213</u>
 <u>Finance Leases</u>		
Property and equipment	\$ -	\$ -
Accumulated depreciation	<u>-</u>	<u>-</u>
Property and equipment, net	<u>\$ -</u>	<u>\$ -</u>
 Other current liabilities	 \$ -	 \$ -
Other long term liabilities	<u>-</u>	<u>-</u>
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>2025</u>	<u>2024</u>
 Weighted Average Remaining Lease Term		
Operating leases	3.4 years	1.9 years
Finance leases	N/A	N/A
 Weighted Average Discount Rate		
Operating leases	5.0%	5.0%
Finance leases	N/A	N/A

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

Note 23. Leasing Activities (cont'd)

The maturities of lease liabilities as of March 31, 2025 are as follows:

Year ending:	<u>Operating</u>	<u>Finance</u>
March 31, 2026	\$ 39,315	\$ -
March 31, 2027	69,303	-
March 31, 2028	71,379	-
March 31, 2029	30,558	-
Total lease payments	<u>210,555</u>	<u>-</u>
Less: interest	<u>(20,438)</u>	<u>-</u>
Present value of lease liabilities	<u>\$ 190,117</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>2025</u>	<u>2024</u>
Operating lease expense	\$ 194,210	\$ 115,293
Amortization of right of use asset	<u>\$ 51,714</u>	<u>\$ 51,480</u>
Finance lease expense	<u>-</u>	<u>-</u>

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

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 258,161	\$ 183,110
Operating cash flows from finance leases	-	-
Financing cash flows from finance leases	-	-
Lease assets obtained in exchange for lease obligations:		
Operating lease	\$ 190,117	\$ 47,187
Finance lease	-	-

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

Note 23. 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-26	<u>\$ 120,000</u>
Total	<u><u>\$ 120,000</u></u>

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

Year Ending:	<u>Amount</u>
31-Mar-26	<u><u>\$ 12,572</u></u>

Office lease in Bensalem, Pennsylvania is being closed out as of May 31, 2025. Future minimum lease payments on Bensalem, PA office lease are as follows:

31-Mar-26	<u><u>\$1,650</u></u>
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Office lease in Dallas, Texas expires on March 31, 2026. Future minimum lease payments on Dallas, TX office lease are as follows:

31-Mar-26	<u><u>\$7,011</u></u>
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Solveda's office lease in Mineola, New York was automatically renewed for another year till March 31, 2026. Future minimum lease payments on Solveda's Mineola, NY office lease are as follows:

31-Mar-26	<u><u>\$47,635</u></u>
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SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

Note 24. Income Taxes

The Company files income tax returns in the U.S. federal and various state jurisdictions. During the years ended March 31, 2025 and 2024, the Company's federal and state tax expense / (benefit) amounted to \$52,706 and \$449,995, 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 collection loss, 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, 2025 and 2024, the effective current tax rate approximated the combined federal and state statutory rate of 10.66% and 26.24%, respectively. The reduction of the effective tax rate is due to the increase in deferred taxes for the current year. The deferred income tax assets recognized in the balance sheets at March 31, 2025 and 2024, were \$379,404 and \$94,479 respectively.

Management has determined that no valuation allowance related to deferred tax assets is necessary at March 31, 2025 and 2024. 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, 2022. No significant interests and penalties related to taxes were incurred or accrued. Current and Deferred taxes are as follows:

State Tax Current	\$102,718	\$137,218
Federal Tax Current	257,559	338,216
Total Tax Current	<u>\$360,277</u>	<u>\$475,434</u>
State Tax Deferred	(81,019)	(5,026)
Federal Tax Deferred	(226,552)	(20,413)
Total	<u>\$ 52,706</u>	<u>\$ 449,995</u>

Note 25. Concentration

The Company and its subsidiaries maintain most of 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, 2025 and 2024, uninsured cash balances amounted to \$ 2,077,183 and \$ 1,902,908, respectively (as shown in Note 3). Business concentrations relating to sales and accounts receivable were discussed in detail in Note 4.

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

Note 26. Loan Payable – Acuma Solutions Limited

Saksoft borrowed \$ 3,549,501 from Acuma Solutions, UK, a related company on August 7, 2023, and an additional amount of \$148,078 in December 2023, total of payable in 6 years. The loan is subject to US prime rate plus 100 basis points, which is 6.25% interest per annum as of March 31, 2025. Presently, the loan requires interest only payments on a quarterly basis for the first two years. Subsequent principal payments are to be mutually agreed upon. The interest expense for the year ended March 31, 2025 and 2024 amounted to \$ 44,612 and \$113,676. Repayments of \$817,019 and \$2,751,209 were made towards principal balance on loan for the years ended March 31, 2025 and 2024. As of March 31, 2025 and 2024, loan payable to Acuma Solutions amounted to \$ 129,351 and \$946,370 respectively.

Note 27. Loan Payable – Dreamorbit Inc

Saksoft borrowed short term loan of \$ 1,000,000 from Dreamorbit Inc, USA a related company on August 10, 2023. The loan is subject to 5.49% (3.99 + 150 basis points) interest per annum. Presently, the loan requires interest only payments on a quarterly basis. The interest expense for the year ended 2024 amounted to \$21,643. It was paid off in full in December 2023.

Saksoft subsequently borrowed \$ 1,200,000 from Dreamorbit Inc, USA a related company on February 7, 2024, payable in maximum time period of three years. An Additional amount of \$500,000 was borrowed during the current year. The loan is subject to 5.49% (3.99 + 150 basis points) interest per annum. Presently, the loan requires interest only payments on a quarterly basis. The interest expense for the year ended March 31, 2025 and 2024 amounted to \$ 85,512 and \$10,613, respectively. During the current year, no payments were made towards principal balance on loan. As of March 31, 2025 and 2024, loan payable to Dreamorbit Inc amounted to \$ 1,700,000 and \$1,200,000, respectively.

Note 28. Earnout Payable - Acquisition of Solveda LLC

The Company purchased 100 % membership interest of Solveda LLC, effective August 11, 2023. Solveda is a New York limited liability company formed in the State of New York. Solveda engages in the development of software for e-commerce customers. The acquisition price was \$14,773,687; initial payment at closing was \$8,298,476 and the balance was considered earnout payable based on revenue and EBITDA to be achieved over the next two years. Total earnout payable at acquisition was \$6,475,211 including interest of \$80,093 which is amortized quarterly. As of March 31, 2025 and 2024, the discounted earnout payable was \$2,390,695 and \$6,475,211 respectively. Interest income and expense recorded for the year ended March 31, 2025 and 2024 were \$-0- and \$80,093 each respectively;

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

Note 29. Loan Payable – RBL Bank

Saksoft borrowed \$ 1,000,000 from RBL Bank, India on December 6th, 2023, payable in maximum time period of five years. The loan is subject to the benchmark interest rate of SOFT plus agreed spread, for a total of 7.25% interest per annum as of March 31, 2025. Presently, the loan requires interest only payments for the first two quarters and the principal payments start from quarter three to quarter twenty. The interest expense for the year ended March 31, 2025 and 2024 amounted to \$ 268,795 and \$20,743, respectively. During the current year, additional amounts were borrowed in order to pay off the earnout obligations on the Solveda acquisition. As of March 31, 2025 and 2024, loan payable to RBL Bank amounted to \$ 4,011,669 and \$ 1,000,000 respectively. Interest payable amounted to \$ 9,669 and \$ 2,417. The note is secured by all current assets, both present and future and Saksoft is required to provide security deposit to a debt service reserve account which had a balance of \$357,729 and \$81,867 as of March 31, 2025 and 2024.

Note 30. Sources and Timing of Revenue Recognition

The Company provided software services to customers during the fiscal years ended March 31, 2025 and 2024, as shown below:

	<u>2025</u>	<u>2024</u>
<u>Segments</u>		
Service Transferred Over Time		
Saksoft Inc	21,566,222	25,481,018
Solveda LLC	7,400,554	3,807,084
Elimination	(848,036)	(77,520)
Total	<u>\$ 28,118,740</u>	<u>\$ 29,210,582</u>

	<u>2025</u>	<u>2024</u>
<u>Geographic Markets</u>		
North America		
Saksoft Inc	21,566,222	25,471,498
Solveda LLC	6,948,527	3,588,513
International - Saksoft/Solveda	452,027	228,091
Elimination	(848,036)	(77,520)
Total	<u>\$ 28,118,740</u>	<u>\$ 29,210,582</u>

SAKSOFT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

Note 31. 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, 2025 and 2024, Saksoft-India and other related companies together billed \$ 10,393,521 and \$ 12,309,991, respectively for off-shore consulting services, marketing, insurance and travel related expenses as well as management and accounting services to Saksoft. Intercompany billing among subsidiaries are eliminated in the consolidated financials.

Accounts Payable due to Saksoft-India as of March 31, 2025 and 2024 were \$1,705,734 and \$ 755,933 respectively. Accounts Payable due to Affiliates as of March 31, 2025 and 2024 were \$ 4,169,535 and \$ 3,308,202, 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.

Note 32. Risks and Uncertainties

Management has determined that 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. Current global economic conditions, inflationary factors, and geopolitical issues are considered as additional business risk factors.

Note 33. Subsequent Events

No Significant subsequent events were identified by management. Earnout payable in the amount of \$2,390,695 is expected to be paid as of June 30, 2025.

SAKSOFT, INC.
SCHEDULE I - CONSOLIDATING COST OF SALES
For the Year Ended March 31, 2025

	Saksoft	Solveda	Elimination	Total 2025
<u>Costs of Sales</u>				
Payroll Expenses & Related Taxes	\$ 2,356,682	\$ 929,035	\$ -	\$ 3,285,717
Intercompany Software Services	10,237,422	2,802,613	(848,036)	12,191,999
Consulting & Other Expenses	5,834,974	2,820,467	-	8,655,441
	-			
Total Cost of Sales	<u><u>\$ 18,429,078</u></u>	<u><u>\$ 6,552,115</u></u>	<u><u>\$ (848,036)</u></u>	<u><u>\$ 24,133,157</u></u>

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, 2024

	Saksoft	Solveda	Elimination	Total 2024
	(Restated)			
Costs of Sales				
Payroll Expenses & Related Taxes	\$ 2,390,570	\$ 636,673	\$ -	\$ 3,027,243
Intercompany Software Services	12,192,858	1,874,723	-	14,067,581
Consulting & Other Expenses	7,249,456	1,040,034	-	8,289,490
	-			
Total Cost of Sales	<u><u>\$ 21,832,884</u></u>	<u><u>\$ 3,551,430</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 25,384,314</u></u>

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

SAKSOFT, INC.
SCHEDULE II - CONSOLIDATING OPERATING EXPENSES
For the Year Ended March 31, 2025

	<u>Saksoft</u>	<u>Solveda</u>	<u>Elimination</u>	<u>Total 2025</u>
<u>Operating Expenses</u>				
Professional Fees	\$ 106,572	\$ 23,600	\$ -	\$ 130,172
Business Promotion/ Travel Expenses	795,712	756	-	796,468
Employee Benefits	95,812	-	-	95,812
Rent	146,575	47,635	-	194,210
Dues and Subscriptions	178,665	-	-	178,665
Insurance	32,486	93,314	-	125,800
Telephone / Cloud Services	1,221,850	26,952	-	1,248,802
Bank Service Charges	5,409	220	-	5,629
Recruitment Expenses	-	-	-	-
Depreciation/ Amortization	53,375	-	-	53,375
Postage and Delivery	1,186	-	-	1,186
Allowance for Credit Loss	598,922	-	-	598,922
Exchange Loss	31,001	-	-	31,001
Fair Value of Contingent Consideration	54,570	-	-	54,570
Office Supplies and Expenses	3,260	13,286	-	16,546
	<u>3,260</u>	<u>13,286</u>	<u>-</u>	<u>16,546</u>
 Total Operating Expenses	 <u>\$ 3,325,395</u>	 <u>\$ 205,763</u>	 <u>\$ -</u>	 <u>\$ 3,531,158</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, 2024

	Saksoft (Restated)	Solveda	Elimination	Total 2024
<u>Operating Expenses</u>				
Professional Fees	\$ 148,505	\$ 25,124	\$ -	\$ 173,629
Business Promotion/ Travel Expenses	773,097	29,881	-	802,978
Employee Benefits	74,313	-	-	74,313
Rent	88,193	27,100	-	115,293
Dues and Subscriptions	80,152	-	-	80,152
Insurance	58,586	31,320	-	89,906
Telephone / Cloud Services	417,901	13,402	-	431,303
Bank Service Charges	16,337	464	-	16,801
Recruitment Expenses	162,000	-	-	162,000
Depreciation/ Amortization	52,609	-	-	52,609
Postage and Delivery	379	-	-	379
Allowance for Credit Loss	5,700	-	-	5,700
Office Supplies and Expenses	4,078	30,138	-	34,216
	-			
Total Operating Expenses	<u><u>\$ 1,881,850</u></u>	<u><u>\$ 157,429</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,039,279</u></u>

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

SAKSOFT, INC.
SCHEDULE III - CONSOLIDATING BALANCE SHEETS
March 31, 2025

	Saksoft	Solveda	Elimination	Total 2025
<u>Assets</u>				
<u>Current Assets</u>				
Cash and Cash Equivalents	\$ 665,466	\$ 1,966,865	\$ -	\$ 2,632,331
Accounts Receivable, Net of Allowance for Credit Losses \$447,386 and \$-0-	3,452,664	1,110,746	-	\$ 4,563,410
Accounts Receivable - Affiliate	188,390	-	(78,576)	\$ 109,814
Unbilled Revenues (Contract Assets)	358,788	-	-	\$ 358,788
Prepaid Expenses	64,507	516,528	-	\$ 581,035
Prepaid Income Tax	-	-	-	\$ -
Other Loans and Advances, Net of Allowance for Credit Losses \$151,536 and \$-0-	44,385	1,530	-	\$ 45,915
Employee Advances/ Other Receivable	1,650	9,000	-	\$ 10,650
Total Current Assets	4,845,470	3,604,669	(78,576)	8,301,943
<u>Property and Equipment</u>				
Property and Equipment	222,834	-	-	222,834
Less: Accumulated Depreciation	(29,518)	-	-	(29,518)
Total Property and Equipment	193,316	-	-	193,316
<u>Noncurrent Assets</u>				
Deferred Tax Asset	379,404	-	-	379,404
Security Deposit	11,245	-	-	11,245
Restricted Cash	357,729	-	-	357,729
Intangible Asset Purchase net of Accumulated Amortization	-	-	-	-
Goodwill	2,056,488	-	14,001,318	16,057,806
Investments in Subsidiaries	14,773,687	19,105	(14,773,687)	19,105
Total Noncurrent Assets	17,578,553	19,105	(772,369)	16,825,289
Total Assets	\$ 23,051,961	\$ 3,623,774	\$ (850,945)	\$ 25,320,548
<u>Liabilities and Stockholder's Equity</u>				
<u>Current Liabilities</u>				
Accounts Payable	\$ 583,649	\$ 297,620	\$ -	\$ 881,269
Accounts Payable - Parent Company	1,705,734	78,576	(78,576)	\$ 1,705,734
Accounts Payable - Affiliates	2,948,658	1,220,877	-	\$ 4,169,535
Unearned Revenues (Contract Liabilities)	486,389	438,401	-	\$ 924,790
Accrued Income Tax Liability	80,004	188,627	-	\$ 268,631
Accrued Expenses	885,582	76,918	-	\$ 962,500
Current Lease Liabilities	30,040	-	-	\$ 30,040
Unamortized Interest on Earnout	-	-	-	\$ -
Earnout Payable - Current - Acquisition of Solveda LLC	2,390,695	-	-	\$ 2,390,695
Loan Payable - Current - RBL Bank	195,000	-	-	\$ 195,000
Sales Tax Payable	-	17,583	-	\$ 17,583
Total Current Liabilities	9,375,371	2,318,602	(78,576)	11,545,777
<u>Long Term Liabilities</u>				
Non-Current Lease Liabilities	160,869	-	-	160,869
Loan Payable - Acuma Solutions Limited	129,351	-	-	129,351
Loan Payable - Dreamorbit Inc	1,700,000	-	-	1,700,000
Earnout Payable - Acquisition of Solveda LLC	-	-	-	-
Loan Payable - RBL Bank	3,816,669	-	-	3,816,669
Total Long Term Liabilities	5,806,889	-	-	5,806,889
<u>Stockholder's Equity</u>				
Common Stock - Authorized 1,000,000 Shares, no par value, and Issued 195,000 Shares	195,000	2,104,331	(2,104,331)	195,000
Additional Paid-In Capital	-	-	-	-
Retained Earnings	7,240,079	(799,159)	1,331,962	7,772,882
Total Stockholder's Equity	7,869,701	1,305,172	(772,369)	7,967,882
Total Liabilities and Stockholder's Equity	\$ 23,051,961	\$ 3,623,774	\$ (850,945)	\$ 25,320,548

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

SAKSOFT, INC.
SCHEDULE III - CONSOLIDATING BALANCE SHEETS
March 31, 2024

	Saksoft (Restated)	Solveda	Elimination	Total 2024
<u>Assets</u>				
<u>Current Assets</u>				
Cash and Cash Equivalents	\$ 1,482,757	\$ 1,228,189	\$ -	\$ 2,710,946
Accounts Receivable, Net of Allowance for Credit Losses	3,413,348	2,278,680	-	5,692,028
\$-0-, \$-0- and -0-	-	-	-	-
Accounts Receivable - Affiliate	40,609	-	(19,760)	20,849
Unbilled Revenues (Contract Assets)	275,655	459,282	-	734,937
Prepaid Expenses	75,809	211,747	-	287,556
Prepaid Income Tax	-	-	-	-
Other Loans and Advances	164,536	1,530	-	166,066
Employee Advances/ Other Receivable	825	7,500	-	8,325
Total Current Assets	5,453,539	4,186,928	(19,760)	9,620,707
<u>Property and Equipment</u>				
Property and Equipment	78,372	-	-	78,372
Less: Accumulated Depreciation	(27,857)	-	-	(27,857)
Total Property and Equipment	50,515	-	-	50,515
<u>Noncurrent Assets</u>				
Deferred Tax Asset	94,479	-	-	94,479
Security Deposit	10,076	-	-	10,076
Restricted Cash	81,867	-	-	81,867
Intangible Asset Purchase net of Accumulated Amortization	-	-	-	-
Goodwill	2,056,488	-	14,001,318	16,057,806
Investments in Subsidiaries	14,773,687	19,105	(14,773,687)	19,105
Total Noncurrent Assets	17,016,597	19,105	(772,369)	16,263,333
Total Assets	\$ 22,520,651	\$ 4,206,033	\$ (792,129)	\$ 25,934,555
<u>Liabilities and Stockholder's Equity</u>				
<u>Current Liabilities</u>				
Accounts Payable	\$ 940,842	\$ 344,494	\$ -	\$ 1,285,336
Accounts Payable - Parent Company	755,933	19,760	(19,760)	755,933
Accounts Payable - Affiliates	2,122,201	1,186,001	-	3,308,202
Unearned Revenues (Contract Liabilities)	406,227	1,594,655	-	2,000,882
Accrued Income Tax Liability	128,865	5,400	-	134,265
Accrued Expenses	1,031,003	99,611	-	1,130,614
Current Lease Liabilities	61,213	-	-	61,213
Unamortized Interest on Earnout	-	-	-	-
Earnout Payable - Current - Acquisition of Solveda LLC	4,048,133	-	-	4,048,133
Loan Payable - Current - RBL Bank	130,000	-	-	130,000
Sales Tax Payable	-	110,389	-	110,389
Total Current Liabilities	9,624,417	3,360,310	(19,760)	12,964,967
<u>Long Term Liabilities</u>				
Non-Current Lease Liabilities	-	-	-	-
Loan Payable - Acuma Solutions Limited	946,370	-	-	946,370
Loan Payable - Dreamorbit Inc	1,200,000	-	-	1,200,000
Earnout Payable - Acquisition of Solveda LLC	2,427,078	-	-	2,427,078
Loan Payable - RBL Bank	870,000	-	-	870,000
Total Long Term Liabilities	5,443,448	-	-	5,443,448
<u>Stockholder's Equity</u>				
Common Stock - Authorized 1,000,000 Shares, no par value, and Issued 195,000 Shares	195,000	2,104,331	(2,104,331)	195,000
Additional Paid-In Capital	-	-	-	-
Retained Earnings	7,257,786	(1,258,608)	1,331,962	7,331,140
Total Stockholder's Equity	7,452,786	845,723	(772,369)	7,526,140
Total Liabilities and Stockholder's Equity	\$ 22,520,651	\$ 4,206,033	\$ (792,129)	\$ 25,934,555

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, 2025

	Saksoft	Solveda	Elimination	Total 2025
<u>Operating Revenues</u>				
Sales Revenues	\$ 21,566,222	\$ 7,400,554	\$ (848,036)	\$ 28,118,740
Total Operating Revenues	21,566,222	7,400,554	(848,036)	28,118,740
	-			
Cost of Sales (Schedule I)	(18,429,078)	(6,552,115)	848,036	(24,133,157)
	-			
Gross Profit/(Loss)	(18,429,078)	848,439	-	3,985,583
	-			
Operating Expenses (Schedule II)	(3,325,395)	(205,763)	-	(3,531,158)
	-			
Income/(Loss) from Operations	(188,251)	642,676	-	454,425
	-			
<u>Other Non-Operating Income/Expenses</u>	-			
	-			
Provision No Longer Required	360,000	-	-	360,000
Other Income/ Reimbursements	82,540	-	-	82,540
Interest Expense	(402,517)	-	-	(402,517)
	-			
Income/(Loss) before provision for Income Taxes	(148,228)	642,676	-	494,448
	-			
Provision for Income Taxes (Expense)/Benefit	130,521	(183,227)	-	(52,706)
	-			
Net Income/(Loss)	\$ (17,707)	\$ 459,449	\$ -	\$ 441,742

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, 2024

	Saksoft (Restated)	Solveda	Elimination	Total 2024
<u>Operating Revenues</u>				
Sales Revenues	\$ 25,403,498	\$ 3,807,084	\$ -	\$ 29,210,582
Total Operating Revenues	25,403,498	3,807,084		29,210,582
Cost of Sales (Schedule I)	(21,832,884)	(3,551,430)	-	(25,384,314)
Gross Profit/(Loss)	3,570,614	255,654	-	3,826,268
Operating Expenses (Schedule II)	(1,881,850)	(157,429)	-	(2,039,279)
Income/(Loss) from Operations	1,688,764	98,225	-	1,786,989
<u>Other Non-Operating Income/Expenses</u>				
Other Income/ Reimbursements	180,351	289	-	180,640
Interest Expense	(252,908)	-	-	(252,908)
	-			-
Income/(Loss) before provision for Income Taxes	1,616,207	98,514	-	1,714,721
Provision for Income Taxes (Expense)/Benefit	(424,835)	(25,160)	-	(449,995)
Net Income/(Loss)	\$ 1,191,372	\$ 73,354	\$ -	\$ 1,264,726

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, 2025

	Saksoft	Solveda	Elimination	Total 2025
<u>Cash Flows From Operating Activities</u>				
Net Income/(Loss)	\$ (17,707)	\$ 459,449	\$ -	\$ 441,742
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:				
Depreciation/Amortization Expense	53,375	-	-	53,375
<u>(Increase)/Decrease in:</u>				
Accounts Receivable	(39,316)	1,167,934	-	1,128,618
Accounts Receivable - Affiliate	(201,234)	-	-	(201,234)
Accounts Receivable - Other	-	-	-	-
Unbilled Revenues (Contract Assets)	(83,133)	459,282	-	376,149
Prepaid Expenses	11,302	(304,781)	-	(293,479)
Prepaid Income Tax	-	-	-	-
Other loans and Advances	120,151	-	-	120,151
Employee Advances/ Other Receivable	(825)	(1,500)	-	(2,325)
Deferred Tax Asset	(284,925)	-	-	(284,925)
Security Deposits	(1,169)	-	-	(1,169)
<u>Increase/(Decrease) in:</u>				
Accounts Payable	(357,193)	(46,874)	-	(404,067)
Accounts Payable - Parent Company	943,474	58,816	-	1,002,290
Accounts Payable - Affiliates	886,237	34,876	-	921,113
Unearned Revenues (Contract Liabilities)	80,162	(1,156,254)	-	(1,076,092)
Accrued Income Tax Liability	(48,861)	183,227	-	134,366
Accrued Expenses	(145,421)	(22,693)	-	(168,114)
Current Lease Liabilities	(31,173)	-	-	(31,173)
Unamortised Interest Income A/c	-	-	-	-
Non-Current Lease Liabilities	160,869	(92,806)	-	68,063
Net Cash Provided by/(used in) Operating Activities	1,044,613	738,676	-	1,783,289
<u>Cash Flows From Investing Activities</u>				
Purchase of Property, Plant and Equipment	(196,176)	-	-	(196,176)
Restricted Certificate of Deposit	(275,862)	-	-	(275,862)
Investments in Subsidiaries	-	-	-	-
Net Cash Provided by/(used in) Investing Activities	(472,038)	-	-	(472,038)
<u>Cash Flows From Financing Activities</u>				
Cash Infusion from Acquisition	-	-	-	-
Dividend Distribution From Subsidiaries	-	-	-	-
Loan Payable - Acuma Solutions Limited	(817,019)	-	-	(817,019)
Loan Payable - Dreamorbit Inc	500,000	-	-	500,000
Earmout Payable - Acquisition of Solveda LLC	(4,084,516)	-	-	(4,084,516)
Loan Payable - RBL Bank	3,011,669	-	-	3,011,669
Net Cash Provided by/(used in) Financing Activities	(1,389,866)	-	-	(1,389,866)
Net Increase/(Decrease) in Cash and Cash Equivalents	(817,291)	738,676	-	(78,615)
Cash and Cash Equivalents: Beginning of Year	1,482,757	1,228,189	-	2,710,946
Cash and Cash Equivalents: End of Year	\$ 665,466	\$ 1,966,865	\$ -	\$ 2,632,331
<u>Supplementary Disclosure</u>				
Cash paid for income taxes	\$ 203,265	\$ -	\$ -	\$ 203,265
Cash paid for interest	\$ 402,517	\$ -	\$ -	\$ 402,517

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, 2024

	Saksoft (Restated)	Solveda	Elimination	Total 2024
<u>Cash Flows From Operating Activities</u>				
Net Income/(Loss)	\$ 1,191,372	\$ 73,354	\$ -	\$ 1,264,726
Adjustment to Reconcile Changes in Net Income to Net Cash Provided by/(used in) Operating Activities:				
Depreciation/Amortization Expense	52,609	-	-	52,609
(Increase)/Decrease in:				
Accounts Receivable	2,170,384	(2,278,680)	-	(108,296)
Accounts Receivable - Affiliate	(17,580)	-	-	(17,580)
Accounts Receivable - Other	-	-	-	-
Unbilled Revenues (Contract Assets)	451,002	(459,282)	-	(8,280)
Prepaid Expenses	(37,919)	(211,747)	-	(249,666)
Prepaid Income Tax	-	-	-	-
Other loans and Advances	(164,536)	(1,530)	-	(166,066)
Employee Advances/ Other Receivable	10,508	(7,500)	-	3,008
Deferred Tax Asset	25,439	-	-	25,439
Security Deposits	-	-	-	-
Increase/(Decrease) in:				
Accounts Payable	137,459	344,494	-	481,953
Accounts Payable - Parent Company	(496,283)	19,760	-	(476,523)
Accounts Payable - Affiliates	716,547	1,186,001	-	1,902,548
Unearned Revenues (Contract Liabilities)	(180,938)	1,594,655	-	1,413,717
Accrued Income Tax Liability	(100,679)	5,400	-	(95,279)
Accrued Expenses	(314,316)	99,611	-	(214,705)
Current Lease Liabilities	(460)	-	-	(460)
Unamortised Interest Income A/c	-	-	-	-
Non-Current Lease Liabilities	(61,213)	110,389	-	49,176
Net Cash Provided by/(used in) Operating Activities	3,381,396	474,925	-	3,856,321
<u>Cash Flows From Investing Activities</u>				
Purchase of Property, Plant and Equipment	(2,691)	-	-	(2,691)
Restricted Certificate of Deposit	(81,867)	-	-	(81,867)
Investments in Subsidiaries	(14,773,687)	(19,105)	-	(14,792,792)
Net Cash Provided by/(used in) Investing Activities	(14,858,245)	(19,105)	-	(14,877,350)
<u>Cash Flows From Financing Activities</u>				
Cash Infusion from Acquisition	-	772,369	-	772,369
Dividend Distribution to Saksoft, India	-	-	-	-
Loan Payable - Acuma Solutions Limited	946,370	-	-	946,370
Loan Payable - Dreamorbit Inc	1,200,000	-	-	1,200,000
Earmout Payable - Acquisition of Solveda LLC	6,475,211	-	-	6,475,211
Loan Payable - RBL Bank	1,000,000	-	-	1,000,000
Net Cash Provided by/(used in) Financing Activities	9,621,581	772,369	-	10,393,950
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,855,268)	1,228,189	-	(627,079)
Cash and Cash Equivalents: Beginning of Year	3,338,025	-	-	3,338,025
Cash and Cash Equivalents: End of Year	\$ 1,482,757	\$ 1,228,189	\$ -	\$ 2,710,946
<u>Supplementary Disclosure</u>				
Cash paid for income taxes	\$ 500,075	\$ 19,760	\$ -	\$ 519,835
Cash paid for interest	\$ 252,908	\$ -	\$ -	\$ 252,908

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