

MAHESH J. AGASHIWALA, C.P.A, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

1123 BROADWAY, STE # 301

NEW YORK, NEW YORK 10010

T: (212) 951 -7385 F: (212) 685-9208

AUDIT REPORT
DATAMATICS ROBOTICS SERVICES INC
APRIL 2019 - MARCH 2020

REPORT DATE: MAY 11, 2020

DATAMATICS ROBOTICS SERVICES INC.

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MAHESH J. AGASHIWALA, C.P.A, P.C.
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1123 BROADWAY, STE # 301
NEW YORK, NEW YORK 10010
T:212.951.7385 F: 212.685.9208

Report of Independent Auditors

To:

The Board of Directors and Stockholders
Datamatics Global Services Inc.

Report on the Financial Statements

We have audited the accompanying Balance Sheet of Datamatics Robotics Software Inc. as of March 31, 2020 and the related statements of Income and Expenditure, Retained Earnings and Cash Flows for the period then ended.

Since our engagement is limited to expressing an audit opinion on Datamatics Robotics Software Inc.'s financial position on a stand-alone basis for the year ending March 31, 2020, the effects of the results of operations, cash-flow and Balance Sheet of the non-consolidating subsidiary companies are not considered in this audit report

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Other Matter

The accompanying balance sheet of Datamatics Robotics Software Inc. as of March 31, 2019, and the related statements of income and cash flows for the year then ended were not audited, reviewed, or compiled by us, and, accordingly, we do not express an opinion or any other form of assurance on them.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Datamatics Robotics Software Inc. as of March 31, 2020 and the results of its operations and its cash flows for the years then ended in conformity with Generally Accepted Accounting Principles in the United States of America.

Handwritten signature of Mahesh J. Agashiwala in cursive, with "CPA" written at the end.

Mahesh J. Agashiwala C.P.A., P.C

New York, NY

05/11/2020

**DATAMATICS ROBOTICS SERVICES INC.
BALANCE SHEET**

	March 31, <u>2020</u>	Unaudited March 31, <u>2019</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash & Bank Balance	\$ 230,654	\$ 39,913
Accounts Receivable, Net - Trade (Note 2 & 3)	90,383	40,700
Prepaid Taxes & Expenses	14,925	0
Total Current Assets	335,962	80,613
OTHER ASSETS		
Investment	141,844	141,844
Total Other Assets	141,844	141,844
TOTAL ASSETS	\$ 477,806	\$ 222,457
<u>LIABILITIES & STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts Payable - Trade (Note 4)	\$ 121,455	\$ 0
Accrued Expenses & Other Current Liabilities	354,956	226,318
Total Current Liabilities	476,412	226,318
EQUITY		
Equity Capital - Common (Note 5)	10,000	10,000
Retained Earnings	(8,606)	(13,861)
Total Stockholders' Equity	1,394	(3,861)
TOTAL LIABILITY & STOCKHOLDERS' EQUITY	\$ 477,806	\$ 222,457

See Independent Auditors' Report and the accompanying notes which are an integral part of these financial statements

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**DATAMATICS ROBOTICS SERVICES INC.
INCOME STATEMENT**

	March 31, <u>2020</u>	Unaudited March 31, <u>2019</u>
NET SALES	\$ 267,348	\$ 48,569
COST OF SALES (Schedule A)	<u>224,096</u>	<u>0</u>
GROSS PROFIT	43,252	48,569
OPERATING EXPENSES		
Selling, General and Administrative Expenses (Schedule B)	<u>37,997</u>	<u>58,666</u>
INCOME / (LOSS) FROM OPERATIONS	5,255	(10,097)
OTHER INCOME AND (EXPENSES)		
Interest Income / (Expenses)	0	(3,765)
Other Income / (Expenses)	<u>0</u>	<u>0</u>
TOTAL OTHER INCOME AND (EXPENSES)	0	(3,765)
NET INCOME / (LOSS) BEFORE TAX	5,255	(13,861)
Corporate Taxes	0	0
NET INCOME / (LOSS)	<u>\$ 5,255</u>	<u>\$ (13,861)</u>

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**DATAMATICS ROBOTICS SERVICES INC.
STATEMENT OF CASH FLOW**

	March 31, <u>2020</u>	Unaudited March 31, <u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Profit / (Loss)	\$ 5,255	\$ (13,861)
Adjustments to reconcile net profit to net cash provided (used in) by Operating activities:		
(Increase)/Decrease in Accounts Receivable	(49,683)	(40,700)
(Increase)/Decrease in Other Current Assets	(14,925)	0
(Increase)/Decrease in Other Assets	0	(141,844)
Increase/(Decrease) in Current Liabilities	250,093	226,318
Net cash provided by operating activities	<u>190,741</u>	<u>29,913</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Equity Capital	<u>0</u>	<u>10,000</u>
Net cash provided by financing activities	0	10,000
 Net Increase / (Decrease) in cash flow	 190,741	 39,913
 Cash at beginning of year	 <u>39,913</u>	 <u>0</u>
 Cash at end of year	 <u>\$ 230,654</u>	 <u>\$ 39,913</u>

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**DATAMATICS ROBOTICS SERVICES INC.
STATEMENT OF RETAINED EARNINGS**

<u>RETAINED EARNINGS</u>	March 31, <u>2020</u>	Unaudited March 31, <u>2019</u>
Beginning Balance	\$ (13,861)	\$ 0
Net Profit / (Loss) for the Period	5,255	(13,861)
Ending Balance	\$ <u>(8,606)</u>	\$ <u>(13,861)</u>

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**DATAMATICS ROBOTICS SERVICES INC.
SCHEDULE OF COST OF SALES**

Schedule A

	March 31, <u>2020</u>	Unaudited March 31, <u>2019</u>
Contract Labor	\$ 53,835	\$ 0
Travel Expenses	2,252	0
Legal & Professional Fees	168,009	0
 COST OF SALES	 <u>\$ 224,096</u>	 <u>\$ 0</u>

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DATAMATICS ROBOTICS SERVICES INC.
SCHEDULE OF SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Schedule B

	March 31, <u>2020</u>	Unaudited March 31, <u>2019</u>
Advertisement & Sales Promotion	\$ 37,245	\$ 0
Bank Charges and Interest	303	479
Legal Fees & Professional Fees	0	149
Repairs & Maintenance	449	0
Sales Commission	0	58,038
TOTAL	\$ <u>37,997</u>	\$ <u>58,666</u>

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**DATAMATICS ROBOTICS SOFTWARE INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

1. ORGANIZATION

Datamatics Robotics Software Inc. is incorporated in the State of Delaware on March 28, 2017 and is a wholly owned subsidiary Datamatics Global Services Inc. which is also incorporated in Delaware. It commenced operations in Fiscal Year-ended March 31, 2019.

The Company sells Robotic Process Automation services to its customers. It modifies its proprietary Robotic Automation Software to provide custom designed routine tasks as per each customers requirement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Company maintains its books of accounts on accrual basis.

INVENTORY

The Company is not engaged in sale of any products and therefore there is no inventory of merchandise.

CONTRACT LABOR

Contract Labor includes the cost of outside resources utilized to write the code for the specific Robotic Software programming service requirements of each customer.

CASH

Cash includes cash on hand and in bank deposit. The Company maintains its cash in bank deposit accounts that, at times, may be in excess of amounts insured by the Federal Deposit Insurance Corporation. The Company has not experienced any losses in such accounts.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash, accounts receivable, accounts payable and accrued liabilities approximate fair value due to the short maturity of those instruments.

See Independent Auditors' Audit Report

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**DATAMATICS ROBOTICS SOFTWARE INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROVISION FOR DOUBTFUL DEBTS

The Company will create a reserve for bad debts for its Receivables if it considers any as doubtful. Management believes all Receivables are collectible, therefore no provision has been booked at March 31, 2020.

USE OF ESTIMATES

The preparation of financial statements as per Generally Accepted Accounting Principles requires management to make estimates and assumptions which affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of revenue and expenses during the reported period. Actual results could differ from such estimates.

INTERNAL CONTROLS

Management believes that adequate internal controls are in place.

INCOME TAXES

The Company has reported Net Income for the current fiscal year. The Company has accumulated Net Operating Losses from the prior year that exceeds the current year income. No provision for tax has been recorded.

3. ACCOUNTS RECEIVABLE

Accounts Receivable includes \$ 44,000 which is past due less than 30 days, representing 49% of the total Accounts Receivable. This balance has been received and deposited after the fiscal year-end. Management represents it believes all other balances are collectible as well.

4. RELATED PARTY TRANSACTIONS

Accounts Payable and Accrued Expenses includes \$ 150,145 due to DRSL, Datamatics Robotics Software Limited, a wholly owned subsidiary, and \$ 14,880 due to Cignex Datamatics Inc., an entity related by common ownership, as of March 31, 2020.

See Independent Auditors' Audit Report

**DATAMATICS ROBOTICS SOFTWARE INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

5. EQUITY

The Company has Authorized Common Stock of 1000 shares @ No Par Value. As of March 31, 2020, Common Stock Issued and Outstanding was 1000 shares @ No Par Value.

See Independent Auditors' Audit Report