

DATAMATICS GLOBAL SERVICES INC.
AUDITED FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED MARCH 31, 2024 AND 2023

Date: *April 30, 2024*

MAHESH J. AGASHIWALA, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

DATAMATICS GLOBAL SERVICES INC.
AUDITED FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED MARCH 31, 2024 AND 2023

TABLE OF CONTENTS

Financial Statements and Supplemental Schedules for the Twelve month period ended March 31, 2024

Audit Report of Independent Auditors	1-3
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Financial Statements & Relevant Schedules

Balance Sheet	4
Income Statement	5
Statement of Cash Flow	6
Statement of Retained Earnings	7
Notes to the Financial Statements	8-13
Supplemental Cover	14
Schedule A (Cost Of Goods Sold)	15
Schedule B (Operating Expenses)	15

MAHESH J. AGASHIWALA, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Datamatics Global Services, Inc.
31572 Industrial Road, Suite 200
Livonia, Michigan 48150-1838

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Datamatics Global Services, Inc., which comprise the balance sheets as of March 31, 2024 and 2023, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Datamatics Global Services, Inc. as of March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Since our engagement is limited to expressing an audit opinion on Datamatics Global Services Inc.'s financial position on a stand-alone basis for the years ending March 31, 2024 and 2023, 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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Datamatics Global Services, 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.

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.

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 Datamatics Global Services, Inc.'s ability to continue as a going concern for 2024 and onwards

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 GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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 judgment, 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 express an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

In performing an audit in accordance with GAAS, 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.


- 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 Datamatics Global Services, 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.

Auditor's Conclusion

Based on our audit of Datamatics Global Services, Inc.'s financial statements, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Very truly yours,

 CPA

Ramesh Sarva, CPA

Mahesh J. Agashiwala CPA, P.C.

April 30, 2024

Date

DATAMATICS GLOBAL SERVICES INC.
AUDITED BALANCE SHEET
AS OF March 31, 2024

ASSETS

	March 31 2024	March 31 2023
CURRENT ASSETS:		
Cash and Bank Balance	\$ 1,813,159	3,499,053
Accounts Receivable, Net - Trade (Note 2, 3 & 4)	7,576,588	6,504,293
Prepaid Expenses	828,243	680,453
Loans & Advance -Others (Note 4)	9,467,938	7,778,701
Total Current Assets	\$ 19,685,928	18,462,500
PROPERTY, EQUIPMENT & IMPROVEMENTS:		
Net of accumulated deprecation (Note 6)	218,301	452,769
OTHER ASSETS:		
Security Deposit	75,954	78,016
Investment	1,334,243	1,083,454
Total Other Assets	\$ 1,410,197	1,161,470
INTANGIBLE ASSETS:		
Intangible Assets- Net of Accumulated Amortization (Note 7 & 8)	570,218	830,105
TOTAL ASSETS:	\$ 21,884,644	20,906,845

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Account Payable- Trade (Note 4)	\$ 705,909	5,584,753
Cutomer Deposits	175,725	175,724
Accrued Expenses and Other Current Liabilities (Note 4)	6,074,092	3,804,234
Total Current Liabilities	6,955,726	9,564,711
EQUITY:		
Equity Capital-Common (Note 9)	15,887,571	15,887,571
Additional Paid in Capital	12,358,231	12,358,231
Retained Earnings	(13,316,884)	(16,903,668)
Total Stockholders' Equity	14,928,918	11,342,134
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY:	21,884,644	20,906,845

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MAHESH J. AGASHIWALA, C.P.A., P.C.
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DATAMATICS GLOBAL SERVICES INC.
AUDITED STATEMENT OF INCOME
FOR THE 12 MONTHS ENDED MARCH 31, 2024 AND 2023

		March 31 2024	March 31 2023
	<u>Schedule</u>		
Net Sales		\$ 33,693,189	29,493,240
Cost of Sales	A	23,058,810	21,327,837
Gross Profit		\$ 10,634,379	8,165,403
Operating Expenses			
Selling, general and administrative expenses	B	\$ 6,383,481	5,335,488
Operating Income		\$ 4,250,898	2,829,915
Interest Income/(Expense)		(47,482)	(34,361)
Other Income/(Expenses)		233,368	167,970
Profit Before Tax		\$ 4,436,784	2,963,524
Provision for Corporate Tax (Note 5)		850,000	-
Profit After Tax		\$ 3,586,784	2,963,524
Adjustment of prior period taxes		-	(58,534)
Balance carried forward to retained Earnings		\$ 3,586,784	3,022,058

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DATAMATICS GLOBAL SERVICES INC.
AUDITED STATEMENT OF CASH FLOWS
FOR THE 12 MONTHS ENDED MARCH 31, 2024 AND 2023

	March 31 2024	March 31 2023
<u>Cash Flows from Operating Activities:</u>		
Net income (loss) / Income	\$ 3,586,784	3,022,058
Adjustments to reconcile net Profit to Net cash Provided / (used in) by operating Activities:		
Lease accounting adjustment impact	15,123	(107,072)
Depreciation	534,465	364,734
Decrease / (Increase) in Accounts Receivable	(1,072,295)	1,856,342
(Increase) / Decrease in Other Current Assets	(147,790)	(369,867)
Increase in Other Assets	2,062	107,020
Decrease in Current Liabilities	(2,387,652)	394,577
Net cash provided by Operating Activities	\$ 530,696	5,267,792
<u>Cash Flows from Investing Activities:</u>		
(Addition)/Deletion to Property & Equipment	\$ (299,997)	(674,310)
(Addition)/Deletion to Intangible Assets	23,431	21,758
Investment in subsidiaries	(250,788)	5,073
Loans & Advances	(1,689,236)	(3,809,108)
Net cash provided by Investing activities	\$ (2,216,591)	(4,456,587)
<u>Cash Flow from Financing Activities:</u>		
Working capital facility - Citibank	\$ -	-
	\$ -	-
Net Increase / (Decrease) in cash	\$ (1,685,894)	811,205
Cash at beginning of period	\$ 3,499,053	2,687,848
Cash at end of period	\$ 1,813,159	3,499,053

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DATAMATICS GLOBAL SERVICES INC.
AUDITED STATEMENT OF RETAINED EARNINGS
FOR THE 12 MONTHS ENDED MARCH 31, 2024 AND 2023

	March 31 2024	March 31 2023
<u>Retained Earnings</u>		
Beginning Balance	\$ (16,903,668)	(19,925,726)
Net Profit for the period	3,586,784	3,022,058
Ending Balance	\$ <u>(13,316,884)</u>	<u>(16,903,668)</u>

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DATAMATICS GLOBAL SERVICES INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED MARCH 31, 2024 AND 2023

1. ORGANIZATION AND NATURE OF BUSINESS:

Datamatics Global Services Inc. was incorporated in the State of Delaware in 1999 and is a wholly owned subsidiary Datamatics Global Services Limited (DGSL) which is incorporated in India.

The Company provides many services including end-to-end services in back office processing such as Accounts Payable Management, Tax Return Processing, Market Research Forms processing, Health Care Claims Processing, IT Contract Programming, Contract Staffing Services and Robotic Automated Programming Services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The Company maintains its books of accounts on an accrual basis of accounting.

INVENTORY

The Company is not engaged in the sale of any products and therefore there is no inventory of goods and/or physical merchandise.

CONTRACT LABOR

Contract Labor includes the cost of outside resources utilized to supplement The Company's full-time employees.

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. The Company believes that the carrying value of Notes payable and Capital Leases payable approximate fair value as the interest rates on those instruments are similar to rates currently available to the company.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: - (Continued)

PROPERTY, EQUIPMENT AND DEPRECIATION

Property and Equipment are valued at cost. Depreciation is provided on Straight Line Method over the estimated useful life of the assets. When the assets are disposed of, the cost and the accumulated depreciation are eliminated from the books of accounts and the gain or loss is recognized.

INTANGIBLE ASSETS

Intangible assets consist of business acquisition costs, software and capitalized leases. Management believes that the Intangible assets have significant value and will provide future benefits to the company and are stated at their true values.

In accordance with Generally Accepted Accounting Principles ("G.A.A.P"), long lived assets to be held and used are analyzed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. The Company evaluates, at each balance sheet date, whether events and circumstances have occurred that indicate possible impairment. If there are indications of impairment, The Company uses future undiscounted cash flows of the related asset or asset grouping over the remaining life in measuring whether the assets are recoverable. In the event such cash flows are not expected to be sufficient to recover the recorded asset values, the assets are written down to their estimated fair value.

PROVISION FOR DOUBTFUL DEBTS

The Company will create a reserve for bad debts for receivables it considers as doubtful. For the year ending March 31, 2024, the reserve for bad debts balance is \$65,316.

USE OF ESTIMATES

The preparation of financial statements as per Generally Accepted Accounting Principles ("G.A.A.P") requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of these financial statements and the reported amount of revenue and expenses during the reported period. Actual results could differ from such estimates.

INTERNAL CONTROLS

As of March 31, 2024, The Company's 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 prior years that will reduce The Company's Federal tax liability on its profits. A provision for tax has been recorded based on an alternative minimum tax estimate. There are remaining Net Operating Losses available for future years but management has decided not to set up a Deferred Tax Asset account. Provisions have been recorded for State income taxes that will be payable.

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MAHESH J. AGASHIWALA, C.P.A., P.C.
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3. ACCOUNTS RECEIVABLE:

Accounts Receivable include \$ 637,053 which is past due over 180 days, representing 7.5% of the The Company's total Accounts Receivable. The Company's Management represents that it believes that this amount are collectible in full over a period of time.

The Company adopted Expected Credit Loss Methodology at the end of the prior fiscal year-end March 31, 2023, to comply with the International Financial Reporting Standard 9, a deviation from Generally Accepted Accounting Principles ("G.A.A.P"), to evaluate the impairment of its accounts Receivable for all prior years by creating \$120,937 of a reserve that reduced the Accounts Receivable reported for the previous fiscal year-end March 31, 2023. A prior period adjustment was reflected as a separate line entry to the prior fiscal year Retained Earnings at that time.

4. RELATED PARTY TRANSACTIONS:

RELATED PARTIES

Datamatics Global Services Limited (ultimate holding)
 Datamatics Robotics Software Inc (Subsidiary)
 Datamatics Global Services B.V. (Subsidiary)
 Datamatics Global Services Corp. (Stepdown Subsidiary)
 Datamatics Robotics Software Limited (Stepdown Subsidiary)

The Company has entered into transactions in ordinary course of business with related parties:

Sr. No.	Related Party Name	March 31 2024	March 31 2023
A	Transactions during the year ended:		
i.	Services Received	\$ 13,544,138	\$ 8,522,288
	Datamatics Global Services Ltd.	\$ 10,512,987	\$ 8,170,997
	Datamatics Robotics Software Ltd.	\$ 490,895	\$ 351,291
	Datamatics Global Services Corp.	\$ 2,540,257	\$ -
ii.	Reimbursement of Costs		
	Datamatics Global Services Ltd.	\$ 1,444,822	\$ 1,853,862
iii.	Interest Received		
	Datamatics Global Services Corp.	\$ 90,816	\$ 73,103

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4. RELATED PARTY TRANSACTIONS: - (Continued)

RELATED PARTIES - (Continued)

Sr. No.	Related Party Name	March 31	March 31
B	Balance as of:	2024	2023
i. Accouts Payable		\$ 500,000	\$ 5,172,139
	Datamatics Global Services Ltd.	\$ 500,000	\$ 5,044,424
	Datamatics Robotics Software Ltd.	\$ -	\$ 127,715
ii. Accrual Payable		\$ 2,546,022	\$ 405,848
	Datamatics Global Services Ltd.	\$ 2,177,427	\$ 362,365
	Datamatics Robotics Software Ltd.	\$ 82,156	\$ 43,483
	Datamatics Global Services Corp.	\$ 286,439	\$ -
iii. Accounts Receivable			
	Datamatics Global Services Ltd.	\$ 10,000	\$ 231,235
iv. Unbilled Revenue			
	Datamatics Global Services Ltd.	\$ 688,827	\$ 30,922
iii. Loans & Advances		\$ 6,274,476	\$ 5,497,322
	Datamatics Global Services Ltd.	\$ 1,552,477	\$ 1,553,996
	Datamatics Robotics Software Inc.	\$ 3,706,968	\$ 2,642,212
	Datamatics Global Services Corp.	\$ 1,015,031	\$ 1,301,114

Investment A in Subsidiary includes the following balance(s):

Datamatics Global Services Corp.	\$	863,208
Datamatics Robotics Software Inc.	\$	186,000
Datamatics Global Services B.V.	\$	28,315

5. TAX PROVISION

The Company is currently engaged in the process of filing state tax returns for previous years. In accordance with prudent accounting practices, a provision for potential tax liabilities has been made in the books. As of the reporting period, The Company has set aside \$850,000 as a provision for state taxes.

This provision represents management's best estimate of the potential tax liabilities that may arise from the state tax returns filing process. It is based on a thorough assessment of The Company's past performance, tax planning strategies, and the interpretation of relevant tax laws and regulations.

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6. PROPERTY, EQUIPMENT & IMPROVEMENTS

As of March 31, 2024, The Company's Property, Equipment and Improvements consisted of the following:

	Automobiles	Machinery & Equipment	Furniture & Fixtures	Leasehold Improvements	Total
<u>COST</u>					
Beginning Balance					
March 31, 2023	\$ 11,201	\$ 4,488,033	\$ 429,779	\$ 215,324	\$ 5,144,337
Additions	-	38,490	1,620	-	40,110
Dispositions	-	-	-	-	-
Ending Balance					
March 31, 2024	<u>\$ 11,201</u>	<u>\$ 4,526,523</u>	<u>\$ 431,399</u>	<u>\$ 215,324</u>	<u>\$ 5,184,447</u>

ACCUMULATED DEPRICIATION

Beginning Balance					
March 31, 2023	\$ 11,200	\$ 4,125,658	\$ 381,259	\$ 173,449	\$ 4,691,568
Additions	-	239,567	20,488	14,524	274,579
Dispositions	-	-	-	-	-
Ending Balance					
March 31, 2024	<u>\$ 11,200</u>	<u>\$ 4,365,225</u>	<u>\$ 401,747</u>	<u>\$ 187,973</u>	<u>\$ 4,966,147</u>

7. INTANGIBLE ASSETS

Intangible assets, at cost, consist of business acquisition costs, software and capital leases.

Business acquisition costs- Tricom parties consist of the costs including legal costs incurred to purchase customer contracts:

Business Acquisition – Tricom parties	\$ 2,126,761
Less: Accumulated Amortization	<u>2,126,761</u>
Business Acquisition Costs – Net	<u>\$ -</u>

Business acquisition costs are fully written off for both fiscal years presented but software acquisition costs continue to be amortized on a GAAP basis.

Other Intangible costs consist of:

Business Acquisition – Tricom parties	\$ 993,151
Less: Accumulated Amortization	<u>122,886</u>
Less: Accumulated Amortization	<u>(959,290)</u>
Business Acquisition Costs – Net	<u>\$ 156,747</u>

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8. LEASE COMMITMENTS:

The Company has entered into lease agreements for office space and various items of equipment. The rental agreement for office space includes escalation clauses that allow increase in future operating costs.

The Company had recognized a lease liability measured at the present value of the remaining lease payments at \$ 655,329 and during the year amortised \$221,333 which results to balance of lease liability as of \$433,996 as on 31st March 2024. The right-of-use asset same discounted using incremental borrowing rate and Balance as on 31st March 2024 is \$ 413,471. The impact of accounting treatment as per standard has resulted in a) amortisation charge for right-to-use asset of \$ 236,456 and b) interest accrued on lease liability \$ 25,115.

8. EQUITY:

The Company has Authorized Common Stock at 1150 shares @ No Par Value. As of March 31, 2024 Common Stock Issued and Outstanding was 1000 shares @ No Par Value.

Additional paid in capital increased by \$4000 as result of merger of Techjini Inc. w.e.f March 30, 2020.

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SUPPLEMENTARY INFORMATION

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DATAMATICS GLOBAL SERVICES INC.
SUPPLEMENTARY INFORMATION
SCHEDULES TO INCOME STATEMENT
FOR THE 12 MONTHS ENDED MARCH 31, 2024 AND 2023

SCHEDULE A - COST OF SALES

	March 31	March 31
	2024	2023
Cost of Sales:		
Salaries	\$ 6,005,112	8,564,495
Employee Benefit Expenses	316,599	211,011
Contract Labour	13,544,138	8,522,288
IT Infrastructure & Development Cost	2,091	89,089
Rent	44,031	20,915
Bank Charges	795	1,165
Utilities	-	60
Real & Property Taxes.	1,446	477
Depreciation	108,690	116,546
Repairs & Maintenance	137,503	93,635
Supplies	24,046	15,173
Software Expenses	24,263	6,363
Telephone	91	-
Entertainment expenses	15,024	2,477
Recruitment Expenses	56,126	81,488
Postage & Courier	1,117,075	1,117,863
Travel & Conveyance	45,247	54,684
Commission on Sales	-	-
Professional Fees	1,560,261	2,310,646
Insurance.	312	338
Other Expenses.	55,962	119,126
Total Cost of Sales	\$ 23,058,810	21,327,839

SCHEDULE B - OPERATING EXPENSES

Selling General & Administrative		
Salaries	\$ 2,257,691	2,038,124
Employee Benefit Expenses	234,103	182,853
Advertisement and sales Promotion	1,238,438	972,538
Bank Charges	9,986	11,293
Depreciation	425,775	248,188
Bad Debts	-	613
Provision for Doubtful Debts	-	(613)
Telephone & Link Expenses	282,640	261,779
Entertainment expenses	171,403	166,796
Recruitment Expenses	145,372	18,637
Insurance	79,263	75,222
Professional Fees	415,106	162,225
Miscellaneous Expenses	15,705	75,068
Software Expenses	300,003	317,065
Postage & Courier	8,431	13,956
Printing, stationery and Office supplies	4,889	14,731
Rent	248,593	170,337
Real & Property Taxes.	62,894	75,195
Utilities	77,272	79,066
Repairs & Maintenance	268,703	265,871
Bad & Doubtful Debts	-	-
Sales Commission	-	-
Travel & Conveyance	137,212	186,544
Total Operating Expenses	\$ 6,383,481	5,335,488

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