

**IT CATS LLC DBA INFOWAY SOFTWARE
FINANCIAL STATEMENTS
FOR THE PERIOD JULY 26TH, 2021 TO MARCH 31ST, 2022
(AUDIT)**



Certified Public Accountants

**IT CATS LLC DBA INFOWAY SOFTWARE
FINANCIAL STATEMENTS
FOR THE PERIOD JULY 26TH, 2021 TO MARCH 31ST, 2022**

(AUDIT)

Contents	Page
Independent Auditor's Report	1-2
Financials Statements	
Balance Sheet	3
Statement of Income and Retained Earnings	4
Statement of Cash Flows	5
Notes to Financial Statements	6-7
Schedules of Cost of Sales, Selling, Administration and General Expenses	8



Certified Public Accountants



Certified Public Accountants

505 Eighth Avenue, Suite No. 1402, NY, NY 10018

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
IT CATS LLC DBA INFOWAY SOFTWARE
388 WASHINGTON RD STE A
SAYREVILLE, NJ 08872

We have audited the accompanying financial statements of IT CATS LLC DBA INFOWAY SOFTWARE (the "Company"), which comprise the balance sheet as of 31st March 2022, and the related statements of income and retained earnings and cash flows for the period July 26th, 2021 to March 31st, 2022, and the related notes to the financial statements.

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 audit. We conducted our audit 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 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 Company's preparation and fair presentation of the financial statements 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 the Company'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 statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Entity as of March 31st, 2022, and the results of its operations and its cash flows for the period from July 26th, 2021, to March 31st, 2022, in accordance with accounting principles generally accepted in the United States of America.

Shrinivas Elliott & Elliot LLP

CERTIFIED PUBLIC ACCOUNTANTS

New York, NY
May 9, 2022



Certified Public Accountants

**IT CATS LLC DBA INFOWAY SOFTWARE
BALANCE SHEET
AS OF MARCH 31ST, 2022**

	31st March 2022
<u>ASSETS</u>	
CURRENT ASSETS	
Cash & cash equivalents	\$ 1,076,907
Accounts receivable	3,819,846
Other Loan & Advance	9,750
Prepaid Expenses	8,939
	4,915,442
FIXED ASSETS	
Equipment	79,009
Furniture	840
Less: Depreciation	(58,811)
Net	21,038
 TOTAL ASSETS	 \$ 4,936,480
 <u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>	
CURRENT LIABILITIES	
Accounts payable	\$ 1,079,324
Accrued expenses	2,488,372
	3,567,696
STOCKHOLDER'S EQUITY	
Capital Stock-Authorized, Issued and Outstanding	1,000
Additional Paid in Capital	66,756
Retained Earnings	1,301,028
	1,368,784
 TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	 \$ 4,936,480

See Independent auditor's report and accompanying notes to financial statements.

**IT CATS LLC DBA INFOWAY SOFTWARE
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD JULY 26TH, 2021 TO MARCH 31ST, 2022**

	<u>26th July 2021 to 31st March 2022</u>	<u>1st January 2022 to 31st March 2022 (For Memo purposes only)</u>
<u>REVENUES</u>		
Service Revenues	\$ 9,639,638	\$ 3,679,307
Less:		
Cost of services	<u>8,128,426</u>	<u>3,109,896</u>
Operating profit	1,511,212	569,411
Other Misc. Receipts	<u>2,091</u>	<u>240</u>
Gross Profit	<u><u>\$ 1,513,303</u></u>	<u><u>\$ 569,651</u></u>
<u>SELLING, ADMINISTRATIVE AND GENERAL EXPENSES</u>		
Selling, Administration and General Expenses	<u>1,043,958</u>	<u>362,171</u>
Total operating expenses	<u>1,043,958</u>	<u>362,171</u>
Net Income (Loss) from Operations before Depreciation & Taxes	<u><u>\$ 469,345</u></u>	<u><u>\$ 207,480</u></u>
Depreciation and amortization	<u>7,394</u>	<u>2,189</u>
	<u>\$ 461,951</u>	<u>\$ 205,291</u>
Provision for income Taxes	<u>97,913</u>	<u>43,530</u>
Net Income (Loss)	<u><u>\$ 364,038</u></u>	<u><u>\$ 161,761</u></u>
Retained earnings – beginning,	<u><u>\$ 936,990</u></u>	<u><u>\$ 1,139,267</u></u>
Dividend distributions	<u>-</u>	<u>-</u>
Retained earnings – ending	<u><u>\$ 1,301,028</u></u>	<u><u>\$ 1,301,028</u></u>

See Independent auditor's report and accompanying notes to financial statements.

**IT CATS LLC DBA INFOWAY SOFTWARE
STATEMENT OF CASH FLOWS
FOR THE PERIOD JULY 26TH, 2021 TO MARCH 31ST, 2022**

	<u>26th July 2021 to 31st March 2022</u>	<u>1st January 2022 to 31st March 2022 (For Memo purposes only)</u>
Cash flows from operating activities		
Net Income (Loss)	\$ 364,038	\$ 161,761
Adjustments to reconcile Net Income (Loss) to net cash Used in operating activities:		
Depreciation and amortization	7,394	2,189
Increase (decrease) in cash flows as a result of Changes in asset and liability account balances:		
Accounts Receivable	(1,435,174)	(907,002)
Accounts Payable	(479,294)	226,820
Prepaid Taxes and expenses	279	9,637
Accrued expenses	1,304,470	925,776
Other Loan & Advance	18,700	(6,250)
	<u>\$ (219,587)</u>	<u>412,931</u>
Cash flows from investing activities		
Purchase of fixed assets	(14,111)	(4,745)
Cash flows from financing activities		
	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	(233,698)	408,186
Cash/ cash equivalents at beginning of period	1,310,605	668,721
Cash/ cash equivalents at end of period	<u>\$ 1,076,907</u>	<u>\$ 1,076,907</u>

See Independent auditor's report and accompanying notes to financial statement

**IT CATS LLC DBA INFOWAY SOFTWARE
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD JULY 26TH, 2021 TO MARCH 31ST, 2022**

NOTE 1 - NATURE OF BUSINESS

IT CATS, LLC (the "Company") was incorporated in the state of Rhode Island on October 05, 2004. Originally incorporated as IT CATS, LLC the name was subsequently changed to IT CATS, LLC on May 20, 2008. The Company is a full-service IT consulting and staffing company with a broad range of technical skills, including but not limited to ERP, client/server and web-based application and database development and have a wide range of professional experience and can function in various roles from Programmers, QA, Testers, Business Analysts to Project Managers throughout the project life cycle. It has its registered office at 388 Washington Rd, Suite A Sayreville NJ 08872.

The Company's sole owner until July 25th, 2021, was Mr. Satish Chander Reddy Kalva (Mr. Satish Kalva). On July 26th 2021, Sagarsoft (India) Limited ("Sagarsoft"), a Company incorporated in India and listed on Bombay Stock Exchange acquired 100% of the equity of the Company IT CATS from its owner Mr.Satish Kalva through a share swap agreement. Accordingly, with effect from July 26, 2021, the Company is a wholly-owned subsidiary of Sagarsoft (India) Limited, which is a foreign company registered with The Registrar of Companies, New Delhi, India.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation:

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Company is on an accrual basis of accounting.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those Estimates.

Cash Equivalents:

Cash and cash equivalents include short-term, highly liquid investments with an original maturity date of three months or less.

Fair Value of Financial Instruments:

The carrying amounts of deposits with financial institutions, accounts receivable, accounts payable, loans and advances, accrued expenses, and taxes approximate fair value because of these items' short maturity.

See Independent auditor's report

**IT CATS LLC DBA INFOWAY SOFTWARE
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD JULY 26TH, 2021 TO MARCH 31ST, 2022**

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts Receivable (Net of Reserves) as of March 31st, 2022, pertains to net trade receivable from Customers at \$ 3,819,846.

NOTE 4 - INCOME TAXES:

The Company files Federal, State, and Local Income Tax Returns on a standalone basis. The Income Tax expense attributable to the current period's operations includes the Federal, State and Local income tax.

NOTE 5 - LEASEHOLD COMMITMENT:

The Company maintains a corporate office at 388 Washington Road, Suite A, Sayreville, NJ 08872. Rent expense is \$22,646 for the period ending March 31st, 2022.

NOTE 6 – FIXED ASSETS

Equipment	79,009
Furniture	<u>840</u>
	79,849
Less: accumulated depreciation	<u>(58,811)</u>
	<u>21,038</u>

See Independent auditor's report

IT CATS LLC DBA INFOWAY SOFTWARE
SCHEDULES OF COST OF SERVICES, SELLING, ADMINISTRATIVE AND
GENERAL EXPENSES
FOR THE PERIOD JULY 26TH, 2021 TO MARCH 31ST, 2022

	<u>26th July 2021 to 31st March 2022</u>	<u>1st January 2022 to 31st March 2022 (For Memo purposes only)</u>
<u>Cost of Services</u>		
Direct Expenses		
Direct Salaries and payroll taxes	\$ 5,210,836	\$ 1,893,589
Consulting Fees	2,917,590	1,216,307
Total Cost of Goods Sold	<u>\$ 8,128,426</u>	<u>\$ 3,109,896</u>
<u>Selling, Administration and General Expenses</u>		
Salaries and payroll taxes	\$ 493,825	\$ 173,213
Auto Expenses	9,766	3,365
Advertising	23,712	9,449
Bank Service Charges	696	539
Discounts	24,391	8,448
Donations	1,000	-
Dues and Subscriptions	5,375	1,756
Education & Training	14,655	7,446
Immigration	61,195	545
Insurance	210,575	90,849
Licenses and Permits	456	235
Meals & Entertainment	12,840	3,990
Office Supplies	4,796	902
Postage and Delivery	3,312	1,088
Professional Fees	61,364	20,135
Recruiting	200	200
Rent	22,646	9,166
Taxes	21,211	9,600
Telephone and Fax	8,254	4,388
Travel & Entertainment	62,165	15,953
Utilities	1,524	904
	<u>\$ 1,043,958</u>	<u>\$ 362,171</u>

See Independent auditor's report and accompanying notes to financial statements.