

**SMI CONSULTING TECHNOLOGIES INC.  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MARCH 31, 2023 & 2022  
(AUDIT)**

**INDEPENDENT AUDITOR'S REPORT**



**Certified Public Accountants**

**SMI CONSULTING TECHNOLOGIES INC.  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MARCH 31, 2023 & 2022  
(AUDIT)**

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## **Certified Public Accountants**

115B Broadway, Suite 1, Hicksville, NY 11801  
Phone: (516) 513 0091; (212) 290 2497 Fax: (212) 591 6975

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
SMI CONSULTING TECHNOLOGIES INC.  
18 E 41<sup>st</sup> Street, 17<sup>th</sup> Floor  
New York, NY 10016

We have audited the accompanying financial statements of SMI CONSULTING TECHNOLOGIES INC. (the "Company"), which comprise the balance sheet as of March 31, 2023 & 2022, and the related statements of income and retained earnings, and cash flows for the period then ended 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 31, 2023 & 2022, 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.

SIGNATURE: GKRS CPAs PLLC



CERTIFIED PUBLIC ACCOUNTANTS

Hicksville, NY

May 19, 2023



# SMI CONSULTING TECHNOLOGIES INC.

## BALANCE SHEET AS OF March 31, 2023, & MARCH 31, 2022

	2023	2022
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash & cash equivalents	238	927
Accounts Receivable	-	-
Prepaid Expenses	43	-
Security Deposit-Office space	-	(32)
	<u>281</u>	<u>895</u>
<b>FIXED ASSETS</b>		
Computer Networking Equipments	9,771	9,771
Less: Depreciation	<u>9,771</u>	<u>9,582</u>
Net	<u>-</u>	<u>189</u>
<b>TOTAL ASSETS</b>	<u>\$ 281</u>	<u>\$ 1,084</u>
<b><u>LIABILITIES AND STOCKHOLDER'S EQUITY</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable (MTSL)	-	-
Accounts payable Other	13,600	8,745
Accrued expenses	44,613	18,783
ICD from MTSUS and MTS GmbH	<u>1,507,705</u>	<u>1,522,286</u>
	<u>\$ 1,565,918</u>	<u>\$ 1,549,814</u>
<b>STOCKHOLDER'S EQUITY</b>		
Capital Stock-Authorized, Issued and Outstanding	100,000	100,000
Preferred Stock	300,000	300,000
Retained Earnings	<u>(1,965,637)</u>	<u>(1,948,730)</u>
	<u>(1,565,637)</u>	<u>(1,548,730)</u>
<b>TOTAL LIABILITIES &amp; STOCKHOLDER'S EQUITY</b>	<u>\$ 281</u>	<u>\$ 1,084</u>

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

**SMI CONSULTING TECHNOLOGIES INC.**

**STATEMENT OF INCOME AND RETAINED EARNINGS (ACCUMULATED DEFICIT)  
FOR THE YEAR ENDED MARCH 31, 2023 &  
THE YEAR ENDED MARCH 31, 2022**

	<u>2023</u>	<u>2022</u>
<b><u>INCOME</u></b>		
Sales & Service	-	\$ -
	<u>\$ -</u>	<u>\$ -</u>
Less:		
Software Development and support charges	<u>-</u>	<u>-</u>
Operating profit	\$ -	\$ -
Miscellaneous Income	\$ 14,612	\$ -
Total Income	<u>\$ 14,612</u>	<u>\$ -</u>
 <b><u>SELLING, ADMINISTRATIVE AND GENERAL EXPENSES</u></b>		
Selling, Administration and Selling Expenses	<u>\$ 31,330</u>	<u>\$ 73,024</u>
Total operating expenses	<u>31,330</u>	<u>73,024</u>
Net Income (Loss) from operations before Depreciation and taxes	(16,718)	(73,024)
Depreciation and amortization	<u>189</u>	<u>3,011</u>
	(16,907)	(76,035)
Provision for income taxes	<u>-</u>	<u>-</u>
Net Income (Loss)	(16,907)	(76,035)
Retained earnings - beginning	<u>\$(1,948,730)</u>	<u>\$(1,872,695)</u>
	(1,965,637)	(1,948,730)
Dividend distributions	<u>-</u>	<u>-</u>
Retained earnings - ending	<u>\$(1,965,637)</u>	<u>\$(1,948,730)</u>

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

**SMI CONSULTING TECHNOLOGIES INC.  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED MARCH 31, 2023 &  
THE YEAR ENDED MARCH 31, 2022**

	<u>2023</u>	<u>2,022</u>
<b>Cash flows from operating activities</b>		
Net Profit from operations	(16,907)	(76,035)
Unrealised exchange Gain or Loss	(14,581)	-
Adjustments to reconcile net profit to net cash used in operating activities:		
Depreciation and amortization	189	3,011
Increase (decrease) in cash flows as a result of changes in asset and liability account balances:	-	11,878
Sundry Creditors	4,855	(6,905)
Prepaid expenses	(43)	-
Security Deposits	(32.00)	2,336
Accrued expenses	25,830	(764)
	<u>(689)</u>	<u>(66,479)</u>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets		-
<b>Cash flows from financing activities</b>		
ICD from MTSUS and MTS GmbH	-	65,000
	<u>-</u>	<u>65,000</u>
<b>NET INCREASE ( DECREASE ) IN CASH AND CASH EQUIVALENTS:</b>	(689)	(1,479)
<b>Cash/ cash equivalent at beginning of year</b>	926	2,405
<b>Cash/ cash equivalent at end of year</b>	<u>238</u>	<u>926</u>
<b>OTHER FINANCIAL INFORMATION:</b>		
<b>TAXES PAID</b>		-
<b>INTEREST PAID</b>	<u>-</u>	<u>7,776</u>

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

**SMI CONSULTING TECHNOLOGIES INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MARCH 31, 2023 & MARCH 31, 2022**

**NOTE 1 - NATURE OF BUSINESS**

SMI CONSULTING TECHNOLOGIES INC. (the “Company”) was incorporated in the state of New York on May 21, 2018. The Company is a wholly owned Subsidiary of Motherson Sumi Infotech & Designs Limited, India which is a subsidiary of 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.

**NOTE 3 – NATURE OF TRANSACTIONS WITH RELATED PARTIES:**

Inter Company Transactions: During the period under review, no fresh loan was raised by SMICT from the parent Company MTSUS (Previous year ended March 31, 2022, \$65,000)

**NOTE 4 - LOAN PAYABLE:**

The Company entered into a Borrowing Agreement with Motherson Technology Services GMBH, Germany (A related Company) and parent company Motherson Technology Services USA Limited, to borrow funds for working capital. As of March 31, 2023, Company owes \$ 744,286 and \$ 778,000 respectively.

**NOTE 5 - 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 6 - LEASEHOLD COMMITMENT**

The Company maintains a corporate office at 18 E 41st Street, 17th Floor, New York, NY 10016. Rent is \$468 for the period year ending March 31, 2023.

**SMI CONSULTING TECHNOLOGIES INC.**  
**SCHEDULES OF SELLING, ADMINISTRATIVE AND GENERAL EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2023 &**  
**THE YEAR ENDED MARCH 31, 2022**

	<u>2023</u>	<u>2022</u>
<b>Cost Of Services</b>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ -</u>
<b>Direct Expenses</b>		
Salary	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ -</u>
Cost of Sales	<u>\$ -</u>	<u>\$ -</u>
<b>Selling,Administration and Selling Expenses</b>		
Sales team salary	-	27,462
Bank charges	678	675
Office Rent	468	15,614
Professional fees	-	837
Office Expenses	570	2,311
Audit fees	6,000	6,000
Interest expenses on ICD	23,614	20,125
	<u>\$ 31,330</u>	<u>\$ 73,024</u>

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