

**MSID U.S., INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2022 & 2021
(AUDIT)**

INDEPENDENT AUDITOR'S REPORT



MSID U.S., INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2022 & 2021
(AUDIT)

Contents	Page
Independent Auditor's Report	1-2
Financials Statements	
Statement of 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 Selling Expenses	8





Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
MSID U.S., INC.
18 E 41st Street, 17th Floor
New York, NY 10016

We have audited the accompanying financial statements of MSID U.S., INC. (the "Company"), which comprise the balance sheet as of March 31, 2022 & 2021, 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, 2022 & 2021, 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.

A handwritten signature in green ink, appearing to read "GJKRS CPA PC".

CERTIFIED PUBLIC ACCOUNTANTS

Hicksville, NY
April 25, 2022



MSID U.S., INC.
BALANCE SHEET
AS OF March 31, 2022, & MARCH 31, 2021

	Note	<u>2022</u>		<u>2021</u>
<u>ASSETS</u>				
CURRENT ASSETS				
Cash & cash equivalents		527,739		425,541
Accounts receivable	3	779,458	698,885	
Less: Provision for doubtful debts		<u>47,337</u>	<u>324,991</u>	373,894
Other Loan & Advance		778,000		713,000
Prepaid Expenses		28,095		-
Security Deposit		4,855		
Prepaid Taxes		11,413		36,244
Work in Progress		144,793		57,754
		<u>2,227,016</u>		<u>1,606,433</u>
FIXED ASSETS				
Computer Networking Equipments		111,602		110,007
Less: Depreciation		<u>102,771</u>		<u>97,014</u>
Net		<u>8,831</u>		<u>12,993</u>
TOTAL ASSETS		<u>\$ 2,235,847</u>		<u>\$ 1,619,426</u>
 <u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>				
CURRENT LIABILITIES				
Accounts payable (Mind)	4	619,817		191,335
Accounts payable Other		396,977		52,622
Accrued expenses & taxes		168,181		137,964
Loans & Advances		25,546		-
ICD Received -MIND GmbH		-		845,821
ICD Received -MIND UK	5	1,125,000		-
		<u>\$ 2,335,521</u>		<u>\$ 1,227,742</u>
 STOCKHOLDER'S EQUITY				
Capital Stock-Authorized, Issued and Outstanding		1,000		1,000
Retained Earnings		<u>(100,674)</u>		<u>390,685</u>
		<u>(99,674)</u>		<u>391,685</u>
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY		<u>\$ 2,235,847</u>		<u>\$ 1,619,426</u>

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

MSID U.S., INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2022 &
THE YEAR ENDED MARCH 31, 2021

	2022	2021
<u>INCOME</u>		
Sales & Service	4,305,798	\$ 3,050,446
	\$ 4,305,798	\$ 3,050,446
Less:		
Software Development and support charges	3,305,282	2,302,643
Operating profit	\$ 1,000,516	\$ 747,803
Other Misc. Receipts	295,241	\$ 28,144
Total Income	\$ 1,295,757	\$ 775,947
<u>SELLING, ADMINISTRATIVE AND GENERAL EXPENSES</u>		
Selling, Administration and Selling Expenses	\$ 1,777,219	\$ 658,948
Total operating expenses	1,777,219	658,948
Profit from Operation before Depreciation & Taxes	(481,462)	116,999
Depreciation and amortization	5,757	16,957
Profit from Operation before Taxes	(487,219)	100,042
Tax for previous year	4,140	43,976
Profit after income taxes	(491,359)	56,066
Retained earnings - beginning	390,685	334,619
	(100,674)	390,685
Dividend distributions	-	-
Retained earnings - ending	\$ (100,674)	\$ 390,685

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

MSID U.S., INC.
STATEMENT OF CASH FLOWS
FOR YEAR ENDED MARCH 31, 2022 &
THE YEAR ENDED MARCH 31, 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Net Profit from operations	(491,359)	56,066
Adjustments to reconcile net profit to net cash used in operating activities:		
Depreciation and amortization	5,755	16,958
Increase (decrease) in cash flows as a result of changes in asset and liability account balances:		
Accounts receivable	(358,227)	755,501
Sundry creditors	772,837	(26,760)
Prepaid Taxes and expenses	(8,119)	4,736
Accrued expenses and taxes	30,217	30,170
Income received in advance	25,546	-
Work in Progress	(87,039)	(30,488)
Other Loan & Advance	(65,000)	(556,000)
	<u>(175,386)</u>	<u>250,183</u>
 Cash flows from investing activities		
Purchase of fixed assets	(1,595)	-
 Cash flows from financing activities		
ICD Received	1,125,000	-
ICD Paid	(845,821)	-
	<u>279,179.00</u>	<u>-</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	102,198	250,183
 Cash/ cash equivalent at beginning of year	425,541	175,358
 Cash/ cash equivalent at end of year	<u>\$ 527,739</u>	<u>425,541</u>
 OTHER FINANCIAL INFORMATION:		
 TAXES PAID	<u>\$ 4,140</u>	<u>2,944</u>
 INTEREST PAID	<u>\$ 11,425</u>	<u>15,241</u>

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

MSID U.S., INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2022 & MARCH 31, 2021

NOTE 1 - NATURE OF BUSINESS

MSID U.S., INC. (the "Company") was incorporated in the state of New York on October 5, 2006. 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 - ACCOUNTS RECEIVABLE

Accounts Receivable (Net of Reserves) as of March 31, 2022, and 2021 pertains to net trade receivable from Customers at \$732,121 and \$373,894, respectively.

NOTE 4 – NATURE OF TRANSACTIONS WITH RELATED PARTIES:

Trading Transactions: During the period under review, the parent Company provided \$1,351,603 sales and services to its subsidiary Company MSID USA, Inc, with an amount payable of \$ 619,817 during the period ended March 31, 2022.

MSID U.S., INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2022 & MARCH 31, 2021

NOTE 5 - LOAN PAYABLE:

The Company entered into a Borrowing Agreement with MotherSumi Infotek and Design GmbH, UK (A related Company), to borrow up to 1,200,000 euros for working capital per terms and conditions per Agreement dated February 25, 2022. The rate of interest is 1.94% above LIBOR. Interest is payable Quarterly. As of March 31, 2022, Company owes \$ 1,125,000.

NOTE 6 - 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 7 - LEASEHOLD COMMITMENT

The Company maintains a corporate office at 1101 Perimeter Drive, Suite 150, Schaumburg and a registered office in 420, Lexington Avenue, New York, NY 10170. Rent is \$ 29,583 and \$ 7,200 respectively for the period year ending March 31, 2022.

MSID U.S., INC.
SCHEDULES OF SELLING, ADMINISTRATIVE AND GENERAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2022 &
THE YEAR ENDED MARCH 31, 2021

	<u>2022</u>	<u>2021</u>
Cost Of Services	\$ 1,971,662	\$ 1,057,262
	<u>\$ 1,971,662</u>	<u>\$ 1,057,262</u>
Direct Expenses		
Salary	\$ 1,333,620	\$ 1,245,381
	<u>1,333,620</u>	<u>\$ 1,245,381</u>
Cost of Sales	<u>\$ 3,305,282</u>	<u>\$ 2,302,643</u>
Selling, Administration and Selling Expenses		
Audit Fees	9,000	18,000
Bank charges	2,801	2,649
Recruitment Cost	165,885	1,627
Office Rent	36,783	13,790
Insurance	4,158	-
Professional fees	310,725	25,749
Office Expenses	20,021	10,967
Conference & Seminars (Business Promotion)	141,440	121,557
Telephone and Internet expenses	4,753	2,806
Hosting Charges	-	7,337
Doubtful debts	(1)	84,946
Rates and taxes	-	25
Salaries	1,009,749	336,952
Exchange (Gain)/Loss	29,066	2,366
Interest expenses on ICD	11,425	15,241
Travel and entertainment	31,414	14,938
	<u>\$ 1,777,219</u>	<u>\$ 658,948</u>

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