

**SMI CONSULTING TECHNOLOGIES INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2022 & 2021
(AUDIT)**

INDEPENDENT AUDITOR'S REPORT



Certified Public Accountants

**SMI CONSULTING TECHNOLOGIES INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2022 & 2021
(AUDIT)**

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Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
SMI CONSULTING TECHNOLOGIES INC.
18 E 41st Street, 17th 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, 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.



CERTIFIED PUBLIC ACCOUNTANTS

Hicksville, NY
April 25, 2022



SMI CONSULTING TECHNOLOGIES INC.

**BALANCE SHEET
AS OF March 31, 2022, & MARCH 31, 2021**

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash & cash equivalents	927	2,405
Accounts Receivable	-	11,877
Prepaid Expenses	-	-
Security Deposit-Office space	(32)	2,304
	<u>895</u>	<u>16,586</u>
FIXED ASSETS		
Computer Networking Equipments	9,771	9,771
Less: Depreciation	9,582	6,571
Net	<u>189</u>	<u>3,200</u>
TOTAL ASSETS	<u>\$ 1,084</u>	<u>\$ 19,787</u>
 <u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable (Mind)	-	-
Accounts payable Other	8,745	15,650
Accrued expenses	18,783	19,546
ICD from MSID and MIND GmbH	1,522,286	1,457,286
	<u>\$ 1,549,814</u>	<u>\$ 1,492,483</u>
 STOCKHOLDER'S EQUITY		
Capital Stock-Authorized, Issued and Outstanding	100,000	100,000
Preferred Stock	300,000	300,000
Retained Earnings	(1,948,730)	(1,872,695)
	<u>(1,548,730)</u>	<u>(1,472,695)</u>
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	<u>\$ 1,084</u>	<u>\$ 19,787</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, 2022 &
THE YEAR ENDED MARCH 31, 2021**

	<u>2022</u>	<u>2021</u>
<u>INCOME</u>		
Sales & Service	\$ -	\$ -
	\$ -	\$ -
Less:		
Software Development and support charges	-	-
Operating profit	\$ -	\$ -
Other Misc. Receipts	\$ -	\$ 880
Total Income	<u>\$ -</u>	<u>\$ 880</u>
<u>SELLING, ADMINISTRATIVE AND GENERAL EXPENSES</u>		
Selling, Administration and Selling Expenses	\$ 73,024	\$ 771,460
Total operating expenses	73,024	771,460
Net Income (Loss) from operations before Depreciation and taxes	<u>(73,024)</u>	<u>(770,580)</u>
Depreciation and amortization	3,011	3,257
	(76,035)	(773,837)
Provision for income taxes	-	50.00
Net Income (Loss)	<u>(76,035)</u>	<u>(773,887)</u>
Retained earnings - beginning	<u>\$(1,872,695)</u>	<u>(1,098,808)</u>
	(1,948,730)	(1,872,695)
Dividend distributions	-	-
Retained earnings - ending	<u>\$(1,948,730)</u>	<u>\$(1,872,695)</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, 2022 &
THE YEAR ENDED MARCH 31, 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Net Profit from operations	(76,035)	(773,887)
Adjustments to reconcile net profit to net cash used in operating activities:		
Depreciation and amortization	3,011	3,257
Increase (decrease) in cash flows as a result of changes in asset and liability account balances:	11,878	(11,878)
Sundry Creditors	(6,905)	(29,639)
Prepaid expenses	-	-
Security Deposits	2,336	-
Accrued expenses	(764)	(33,063)
	<u>\$ (66,477)</u>	<u>\$ (845,210)</u>
 Cash flows from investing activities		
Purchase of fixed assets	-	-
 Cash flows from financing activities		
Capital Stock	-	-
Preferred stock	-	-
ICD from MSID and MIND GmbH	65,000	832,925
	<u>\$ 65,000</u>	<u>\$ 832,925</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	(1,478)	(12,285)
 Cash/ cash equivalent at beginning of year	2,405	14,690
 Cash/ cash equivalent at end of year	<u><u>\$ 927</u></u>	<u><u>\$ 2,405</u></u>
 OTHER FINANCIAL INFORMATION:		
 TAXES PAID	-	-
 INTEREST PAID	<u>-</u>	<u>-</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, 2022 & MARCH 31, 2021

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 MotherSumi 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, SMI raised loan of \$65,000 from parent Company MSID during the year ended March 31, 2022.

NOTE 4 - LOAN PAYABLE:

The Company entered into a Borrowing Agreement with MotherSumi Infotech and Design GMBH, Germany (A related Company) and parent company MSID, to borrow funds for working capital. As of March 31, 2022, 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 \$15,614 for the period year ending March 31, 2022.

**SMI CONSULTING TECHNOLOGIES INC.
SCHEDULES OF SELLING, ADMINISTRATIVE AND GENERAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2022 &
THE YEAR ENDED MARCH 31, 2021**

	2022	2021
Cost Of Services	\$ -	\$ -
	\$ -	\$ -
Direct Expenses		
Salary	\$ -	\$ -
	\$ -	\$ -
Cost of Sales	\$ -	\$ -
Selling, Administration and Selling Expenses		
Sales team salary	27,462	691,359
Bank charges	675	1,293
Office Rent	15,614	27,650
Professional fees	837	4,169
Office Expenses	2,310	9,677
Travel and entertainment	-	204
Audit fees	6,000	7,000
Telephone/connectivity and general exp	-	1,200
Rates and Taxes	-	57
Exchange fluctuation	-	1,468
Interest expenses on ICD	20,125	27,383
	\$ 73,024	\$ 771,460

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