

**MISTRAL SOLUTIONS, INC.  
(A WHOLLY OWNED SUBSIDIARY OF  
MISTRAL SOLUTIONS PVT.LTD.)  
(A DEVELOPMENT STAGE ENTERPRISE)**

**REVIEWED FINANCIAL STATEMENTS**

**(UNAUDITED)**

**FOR THE YEAR ENDED  
MARCH 31, 2018**

**B. Halpern P.C.**  
*Certified Public Accountants*

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**B. HALPERN, P.C.**

CERTIFIED PUBLIC ACCOUNTANT

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STATEN ISLAND, NY 10305

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The Board of Directors  
Mistral Solutions, Inc.  
(A Wholly Owned Subsidiary of Mistral Solutions Pvt. Ltd)  
(A Development Stage Enterprise)  
43092 Christy Street  
Fremont, CA 94538

We have reviewed the accompanying Balance Sheet of Mistral Solutions, Inc. (A wholly owned subsidiary of Mistral Solutions Pvt. Ltd.) (A Development stage Enterprise), as of March 31, 2018 and the related statements of operations and retained earnings, and cash flows for the year then ended, in accordance with statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Mistral Solutions, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Respectfully submitted,

B. HALPERN, P.C.

By *Francis Joseph*  
Certified Public Accountant

Staten Island, New York  
May 22, 2018

MISTRAL SOLUTIONS, INC.  
(A WHOLLY OWNED SUBSIDIARY OF MISTRAL SOLUTIONS PVT.LTD)  
(A DEVELOPMENT STAGE ENTERPRISE)  
BALANCE SHEET  
(Unaudited)  
March 31, 2018

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ASSETS

Current Assets

Cash	179,382.00	
Accounts Receivable, Trade	2,101,356.00	
Merchandise Inventory	75,066.00	
Prepaid Expenses	2,059.00	
Prepaid Taxes	800.00	
Employee Advances	<u>11,250.00</u>	
Total Current Assets		2,369,913.00

Property and Equipment

Office Furniture and Equipment	30,686.00	
Less Accumulated depreciation	<u>29,465.00</u>	
Total Property & Equipment		1,221.00

Other Assets – Security Deposits		<u>3,969.00</u>
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Total Assets		<u>2,375,103.00</u>
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**LIABILITIES AND STOCKHOLDERS' EQUITY**

Current Liabilities

Accounts Payable	1,017,154.00	
Accrued Expenses	253,334.00	
Corporation Taxes Payable	9,033.00	
Payroll Taxes Payable	<u>95.00</u>	
Total Current Liabilities		1,279,616.00

Stockholders' Equity

Common Stock, no par value		
1000 shares authorized, issued & outstanding	643,600.00	
Retained earnings accumulated during the- Development stage	<u>451,887.00</u>	
Total Stockholder's Equity		<u>1,095,487.00</u>

Total Liabilities & Stockholders' Equity		<u>2,375,103.00</u>
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*See accountants' review report and accompanying notes to financial statements.*

**MISTRAL SOLUTIONS, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF MISTRAL SOLUTIONS PVT.LTD)**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**STATEMENT OF OPERATIONS AND RETAINED EARNINGS**  
**(Unaudited)**  
**For the Year Ended March 31, 2018**  
**And the Period from June 21, 2001 (Inception) to March 31, 2018**

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	<u>For the Year Ended March 31, 2018</u>	<u>June 21, 2001 (Inception) to March 31, 2018</u>
Revenue	\$ 9,011,395.00	\$ 86,092,846.00
Cost of Sales	<u>5,486,761.00</u>	<u>53,925,328.00</u>
Gross Profit	3,524,634.00	32,167,518.00
<b><u>Operating Expenses</u></b>		
General and administrative	<u>3,474,950.00</u>	<u>32,028,879.00</u>
Income <Loss> from Operations	49,684.00	138,639.00
Other Income	1,077.00	483,143.00
<Loss> on Impairment of Assets	<u>-0-</u>	<u>&lt;12,271.00&gt;</u>
Income <Loss> before Income Taxes	50,761.00	609,511.00
Income Taxes – Federal	8,233.00	
State	<u>800.00</u>	<u>9,033.00</u>
Net Income <Loss> for the Year	41,728.00	451,887.00
Retained earnings accumulated during the Development Stage, beginning of year	<u>410,159.00</u>	
Retained earnings accumulated during the Development Stage, end of year	451,887.00	

*See accountants' review report and accompanying notes to financial statements.*

**MISTRAL SOLUTIONS, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF MISTRAL SOLUTIONS, PVT.LTD)**  
**(A DEVELOPMENT STAGE ENTRPRISE)**  
**STATEMENT OF CASH FLOWS**  
**(Unaudited)**  
**For the year ended March 31, 2018**  
**And the Period from June 21, 2001(Inception) to March 31, 2018**

	<u>For the Year Ended March 31, 2018</u>	<u>June 21, 2001 (Inception) to March 31,2018</u>
<b>Cash Flows from Operating Activities:</b>		
Net Income<Loss>	<u>41,728.00</u>	<u>451,887.00</u>
<b>Adjustments to reconcile net income to net Cash provided by operating activities:</b>		
Depreciation	970.00	45,202.00
<Increase>decrease in operating assets:		
Accounts Receivable	1,399,734.00	<2,101,356.00>
Other Assets	7,561.00	<14,109.00>
Merchandise Inventory	644,842.00	<75,066.00>
Loss on impairment of Assets	-0-	12,387.00
Deposits	< 55.00>	<3,969.00>
Disposition of Automobile	-0-	3,000.00
<b>Increase&lt;decrease&gt;in operating liabilities:</b>		
Accounts Payable	<1,516,884.00>	1,017,154.00
Deferred Revenue	<530,932.00>	-0-
Accrued Expenses	67,503.00	253,334.00
Taxes Payable	4,328.00	9,128.00
Employee Expenses Payable	<13,882.00>	-0-
Total Adjustments	<u>63,185.00</u>	<u>&lt;854,295.00&gt;</u>
Net cash provided<used> by operating Activities:	<u>104,913.00</u>	<u>&lt;402,408.00&gt;</u>
<b>Cash Flows from Investing activities:</b>		
Acquisition of Fixed assets	<u>&lt;607.00&gt;</u>	<u>&lt;61,810.00&gt;</u>
Net cash <used>by investing activities:	<607.00>	<61,810.00>
<b>Cash Flows from financing activities:</b>		
Proceeds from sale of common stock	<u>-0-</u>	<u>643,600.00</u>
Net Cash provided by financing activities	-0-	<u>643,600.00</u>
Net increase<decrease>in cash	104,306.00	
Cash and cash equivalents, beginning of year	<u>75,076.00</u>	
Cash and cash equivalents end of year	<u>179,382.00</u>	<u>179,382.00</u>

*See accountants' review report and accompanying notes to financial statements.*

**MISTRAL SOLUTIONS, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF MISTRAL SOLUTIONS PVT.LTD)**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**NOTES TO FINANCIAL STATEMENTS.**  
**(Unaudited)**  
**For the year ended March 31, 2018**  
**And the Period from June 21, 2001 (Inception) to March 31, 2018**

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Note 1: **Business Description and Summary of Significant Accounting Policies:**

**Business Description** – Mistral Solutions, Inc. (the “Company”) was formed on June 21, 2001 as a Delaware Corporation and is a wholly owned subsidiary of Mistral Solutions Pvt. Ltd. (the “Parent”), an Indian Company. Common stock of the company totaling 1,000 shares was sold for a total cash contribution of \$643,600.00 (\$147,500.00 received during the year ended March 31, 2004, \$311,000.00 received during the year ended March 31, 2003 and \$185,100.00 received during the year ended March 31, 2002). The Company’s revenue is from the distribution of computer related products and services for the year ended March 31, 2018. The Company is a development stage entity and started its principal operations of selling end-to end services for embedded product development in U.S and provide consultation services to U.S Companies in the development of new products in the Year ended March 31, 2004.

The accrual basis accounting policies adopted by the Company are consistent with accounting principles generally accepted in the United States of America.

The Significant policies are as follows:

**Bad and Doubtful Accounts** – Management has determined that an amount of \$36,358.00 as uncollectable bad debt and the Company utilized the direct write-off method of recognizing bad debts as of March 31, 2018.

**Concentration of Credit Risk** – The Company maintains its cash in commercial checking accounts. Periodically throughout the year, cash may be maintained at the bank in excess of insured (FDIC) amounts of \$250,000.00.

The Company extends credit to its customers in India. The Company conducts ongoing credit analysis of its customers and does not believe that it is exposed to any significant credit risk in connection with extension of credit.

**Property and Equipment** – Property and equipment are stated at cost and depreciated over their estimated useful lives on the accelerated methods for financial and income tax reporting purposes. All repair and maintenance costs are expensed as incurred.

*See accountants’ review report and accompanying notes to financial statements*

**MISTRAL SOLUTIONS, INC.**  
**(A WHOLLY OWNED SUBSIDIERY OF MISTRAL SOLUTIONS PVT.LTD)**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**NOTES TO FINANCIAL STATEMENTS.**  
**(Unaudited)**  
**For the year ended March 31, 2018**  
**And the period from June 21, 2001 (Inception) to March 31, 2018**

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**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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Note 2: **Equity** – The Company has 1,000 shares of no par value common stock issued and outstanding, owned entirely by parent.

Note 3: **Related Party Transactions** – The Company receives periodic funding from the parent In India. During the period June 21, 2001 (inception) to March 31, 2004, the company received \$643,600.00 for the purchase of company stock.

Note 4: **Loss on Impairment of Assets** – During the Fiscal year ended March 31, 2005 the company decided to write off prior year fixed assets in the amount of \$11,720.00 consisting of some computers, furniture, fixtures and office equipment which became obsolete, broken and unusable. During the fiscal year ended March 31, 2014 computer equipment worth \$551.00 was similarly written off.

*See accountants' review report and accompanying note to financial statements*



**SUPPLEMENTARY INFORMATION**

**B. HALPERN, P.C.**

CERTIFIED PUBLIC ACCOUNTANT

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STATEN ISLAND, NY 10305

T: (718) 727-6536 F: (718) 727-6467

The Board of Directors  
Mistral Solutions, Inc.  
(A Wholly Owned Subsidiary of Mistral Solutions Pvt. Ltd)  
(A Development Stage enterprise)  
43092 Christy Street  
Fremont, CA 94538

Our report on our review of the basic financial statements of Mistral Solutions, Inc. (A wholly owned subsidiary of Mistral Solutions Pvt. Ltd.) (A Development stage Enterprise), for March 31, 2018 appears on page 1. That review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The information included in the accompanying schedule is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

Respectfully Submitted,

B. HALPERN, P.C.

By Francis Joseph  
Certified Public Accountant

Staten Island, New York  
May 22, 2018

See accountants' review report and accompanying notes to financial statements.

**MISTRAL SOLUTIONS, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF MISTRAL SOLUTIONS PVT. LTD)**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES**  
**(Unaudited)**  
**For the year ended March 31, 2018**

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Salaries & Wages	1,484,141.00
Professional Fees	1,162,126.00
Support Services	321,661.00
Insurance	95,795.00
Travel, Meals & Lodging	42,203.00
Taxes – Payroll	111,487.00
Legal Expenses	13,391.00
Liquidated Damages	26,505.00
Rent	25,759.00
Incentives	32,561.00
Immigration Fees	24,805.00
Telephone & Internet Charges	9,624.00
Taxes – Other	8,534.00
Relocation Expenses	1,437.00
Contractor Fees	33,000.00
Bank Charges	7,041.00
Business Promotion	2,629.00
Licenses, Fees & Subscriptions	5,610.00
Depreciation	970.00
Postage & Mailing	4,981.00
Bad Debts	36,358.00
Staff Welfare	7,988.00
Accounting	3,500.00
Utilities	7,104.00
Office Supplies	3,565.00
Misc. Exp.	<u>2,173.00</u>
<b>Total</b>	<b><u>\$ 3,474,950.00</u></b>

*See accountants' review report and accompanying notes to financial statements.*