



Independent Auditors' Report

To,
The Board of Directors
Mistral Solutions Inc.

We have audited the accompanying financial statements of Mistral Solutions Inc., which comprise the balance sheets as of March 31, 2019 and 2018 and the related statements of operations, changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

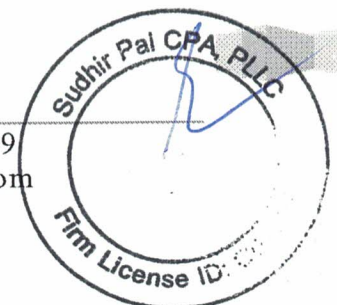
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and 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 audits. We conducted our audits 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 from 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 entity'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 entity'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.

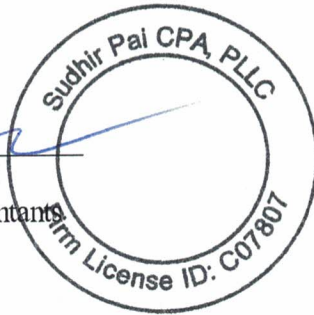




Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mistral Solutions Inc. as of March 31, 2019 and 2018 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Sudhir Pai CPA, PLLC
Certified Public Accountant
Irving, TX
Date: April 25, 2019



Mistral Solutions Inc.

Financial Statements for the year ended

March 31, 2019 and March 31, 2018

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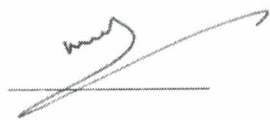
Balance Sheets

All amounts in US\$

Particulars	Note	As at March 31, 2019	As at March 31, 2018
Assets			
Current Assets			
Cash and cash equivalents	3	97,769	179,382
Accounts receivables		1,384,600	2,101,356
Inventory		148,291	75,066
Other current assets	4	140,734	14,109
Total current assets		1,771,394	2,369,913
Non-current Assets			
Property and equipment (net)	5	3,330	1,221
Security Deposits		4,090	3,969
Total non-current assets		7,420	5,190
Total of assets		1,778,814	2,375,103
Liabilities and Stockholders' equity			
Current liabilities			
Accounts payable		486,254	1,017,153
Other payables and accruals	6	338,210	262,463
Total current liabilities		824,464	1,279,616
Non-current liabilities		-	-
Total of liabilities		824,464	1,279,616
Stockholders' Equity			
Common stock, no par value		643,600	643,600
Retained earnings		310,750	451,887
Total stockholders' equity		954,350	1,095,487
Total liabilities and stockholders' equity		1,778,814	2,375,103

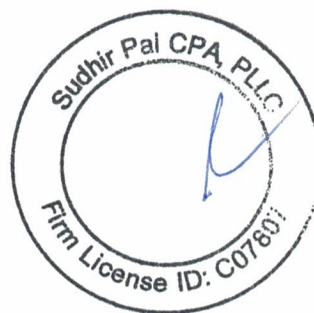
The accompanying notes are an integral part of the financial statements

For Mistral Solutions Inc.



President

Date: April 25, 2019




Statement of Operations

All Amounts in US\$

Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Operating revenues		3,499,159	9,011,395
Cost of revenues		1,428,363	5,486,761
Gross Profit		2,070,796	3,524,634
Expenses			
Selling, general and administrative expenses	7	2,250,757	3,474,950
Total expenses		2,250,757	3,474,950
Operating (loss)/profit		(179,961)	49,684
Other income (expense)		2,319	1,077
Income before income tax		(177,642)	50,761
Provision for tax		(800)	(9,033)
Deferred taxes		37,305	-
Net Income		(141,137)	41,728

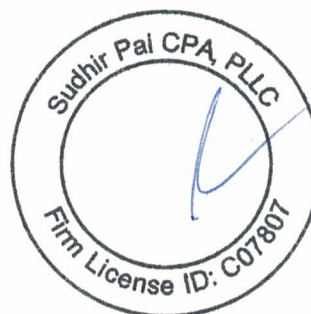
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For Mistral Solutions Inc.



President

Date: April 25, 2019

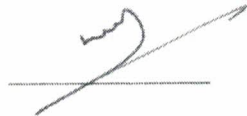


Statement of changes in Stockholders' equity
 (Amounts in dollars, except share and per share data)

Particulars	Common shares			Retained earnings	Total equity
	Authorized	Issued and outstanding	Value (\$)		
Balance as on March 31, 2017	1000	1000	643,600	410,159	1,053,759
Issuance of shares(During the previous period)	-	-	-	-	-
Net Income for year ended March 31, 2018	-	-	-	41,728	41,728
Balance as on March 31, 2018	1000	1000	643,600	451,887	1,095,487
Issuance of shares(During the current period)	-	-	-	-	-
Net Income for year ended March 31, 2019	-	-	-	(141,137)	(141,137)
Balance as on March 31, 2019	1000	1000	643,600	310,750	954,350

The accompanying notes are an integral part of the financial statements

For Mistral Solutions Inc.



President

Date: April 25, 2019



Statement of Cash flows

All Amounts in US\$

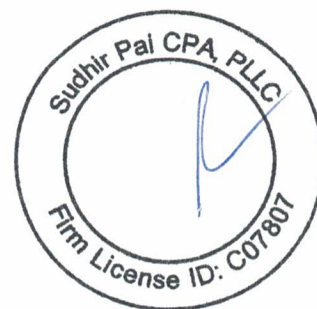
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
Net Income for the period	(141,137)	41,728
Adjustments to reconcile net loss to net cash generated from operating activities		
- Depreciation and amortization	1,110	970
Changes in working capital		
- (Increase)/decrease in account receivables	716,756	1,399,734
- (Increase)/decrease in inventory	(73,225)	644,842
- (Increase)/Decrease in other assets & security deposit	(126,746)	7,506
- Increase/(Decrease) in accounts payable	(530,899)	(1,516,884)
- (Decrease)/Increase in other liabilities	75,747	(472,983)
Net Cash (used in)/generated from operating activities	(78,394)	104,913
Cash flow from investing activities		
Purchase of property and equipment	(3,219)	(607)
Net Cash (used in) investing activities	(3,219)	(607)
Cash flow from financing activities		
Proceeds from equity	-	-
Net Cash generated from financing activities	-	-
Net increase in cash & cash equivalents	(81,613)	104,306
Cash & cash equivalents at the beginning of the year	179,382	75,076
Cash & cash equivalents at the end of the year	97,769	179,382

The accompanying notes are an integral part of the financial statements

For Mistral Solutions Inc.



President
 Date: April 25, 2019



Notes to the financial statements for the year ended March 31, 2019 and March 31, 2018

1. Corporate information

Mistral Solutions, Inc. (the "Company") was formed on June 21, 2001 and is a wholly owned subsidiary of Mistral Solutions Private Limited (the "Parent"), an Indian Company. Common stock of the company totalling 1,000 shares was sold for a total cash contribution of \$643,600.00 (\$ 147,500 received during the year ended March 31, 2004, \$311,000 received during the year ended March 31, 2003 and \$185,100 received during the year ended March 31, 2002).

The Company is primarily engaged in rendering end-to-end services for product design and development in the embedded space. Mistral offers design and development services covering hardware and software, customizable product designs and IPs, system integration and other solutions that improve quality and accelerate time-to-market for a broad range of embedded systems.

2. Significant Accounting Policies

Significant accounting policies applied in the preparation of the Financial Statements are as follows:

a) *Basis of preparation of financial statements*

The financial statements are prepared on a going concern basis under the historical cost convention and on the accrual basis of accounting which assumes the realization of assets and satisfaction of liabilities in the normal course of business to reflect the financial position, results of operations and cash flows.

b) *Use of estimates*

In preparing the financial statements in conformity with US GAAP, the management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although, these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The management's estimates for the useful life of property and equipment and allowance for uncollectible accounts, represent certain of these particularly sensitive estimates to the financial statements.

c) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

d) *Accounts Receivable*

Accounts receivable, for which the management has the intent and ability to hold for the foreseeable future, or until maturity or payoff, are reported in the Balance Sheet at outstanding



amount less any charge-offs and the allowance for doubtful accounts. The Company charges-off uncollectible receivables when the likelihood of collection is remote. Credit is extended based on prior experience with the customer and evaluation of customer's financial condition.

The Company maintains an allowance for doubtful accounts based on management's expectations of future losses, which is determined based on historical experience and current economic environment. Losses have historically been within management's expectations. Accounts receivable are charged to bad debt expense when they are deemed uncollectible based upon management's periodic review of the accounts. During the year ended March 31, 2019 and March 31, 2018, the Company has written \$ 222,129 and \$ 36,358 respectively as bad debts.

e) Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation. Depreciation is calculated under the straight-line method over estimated economic useful life of the assets.

Estimated economic useful lives of assets for the purpose of depreciation have been determined by the management as follows:

Asset	Useful life(In years)
Office furniture and equipment	5

f) Revenue recognition

Revenue is recognized when product is delivered and the provision of services is complete and there are either no unfulfilled obligations on the Company or any obligations are inconsequential or perfunctory and will not affect the customer's final acceptance of the services, including the satisfaction of the following criteria: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred; (iii) the fee is fixed and determinable; and (iv) collectability is reasonably assured. The Company monitors actual performance against contract standards and provides for credits against billings as reductions to revenues.

g) Employee Benefits

Defined benefit plan

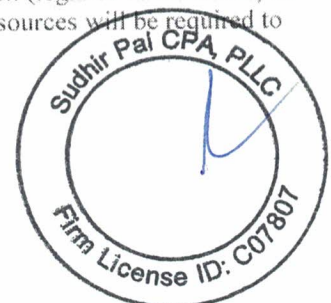
The company does not have any defined benefit plan for its employees.

h) Income Taxes

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred taxes are accounted with ASC 740 'Income Taxes'.

i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to



settle the obligation and the amount of the obligation can be estimated reliably. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

j) Concentration risk

Financial instruments that potentially subject the Company to significant credit risk consists primarily of cash and cash equivalents and account receivable. The cash and cash equivalent comprise of only balances with the bank account and the Company does not invest with any company/institution. As at December 31, 2018 and 2017, the balances in excess of the Federal Deposit Insurance Corporation (FDIC) limits was NIL respectively for bank balances. The Company provides credit to customers in the normal course of business. Credit risk is affected by conditions or occurrences within the economy and the information technology industry. Collateral is not required for accounts receivable, but ongoing credit evaluations of customers' financial condition are performed. Further there are four customers named ITI Limited, Bharat Electronics Ltd, and Avalon Technologies Private Limited which covers 29% of the total revenue of the Company for YE 2019

k) Contingencies

The Company evaluates contingencies as per its assessments of probable, reasonably possible and remote, as per ASC 450 "Contingencies".

3. Cash and cash equivalent

Cash and cash equivalent comprises of:

Balances with bank	As at March 31, 2019 (In US\$)	As at March 31, 2018 (In US\$)
In current account	97,769	179,382

4. Other current Asset

Other current asset comprises of:

Particulars	As at March 31, 2019 (In US\$)	As at March 31, 2018 (In US\$)
Prepaid expenses	60,647	2,059
Prepaid taxes	14,349	800
Unbilled receivables	5,040	-
Deferred Taxes	37,305	-
Advances-Employees	23,393	11,250
Total	140,734	14,109



5. Property and equipment

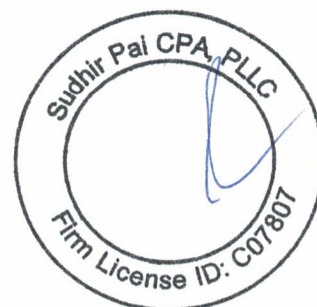
Particulars	Office furniture and equipment (In US\$)
Gross Block as at March 31, 2017	30,079
- Additions during the previous year	607
Gross Block as at March 31, 2018	30,686
Accumulated Depreciation as at March 31, 2017	28,495
- Depreciation for the previous year	970
Accumulated Depreciation as at March 31, 2018	29,465
Net Block as on March 31, 2018	1,221
- Additions during the current year	3,219
Gross Block as at March 31, 2019	33,905
- Depreciation for the current year	1,110
Accumulated Depreciation as at March 31, 2019	30,575
Net Block as on March 31, 2019	3,330

6. Other payables and accruals

Particulars	As at March 31, 2019 (In US\$)	As at March 31, 2018 (In US\$)
Accrued expense	252,348	253,334
Tax payable	-	9,033
Payroll taxes payable	119	96
Corporation tax payable	800	-
Advance from customer	84,943	-
Total	338,210	262,463

7. Selling, general and administrative expenses

Particulars	As at March 31, 2019 (In US\$)	As at March 31, 2018 (In US\$)
Employee Compensation	1,566,156	1,481,141
Professional fees	-	1,162,126
Support fees	138,972	321,661
Bad Debts	222,129	36,358
Other expenses	323,500	470,664
Total	2,250,757	3,474,950



8. Related party transactions

Name of the related party and their relationships:

Holding Company	Mistral Solutions Private Limited
Fellow Subsidiary	Mistral Technologies Private Limited

Details of Transactions:

Name of the party	Nature of Transaction	March 31, 2019 (In US\$)	March 31, 2018 (In US\$)
Mistral Solutions Private Limited	Sales	691,044	294,013
	Purchases	129,120	186,115
	Professional fees	237,615	1,299,277
Mistral Technologies Private Limited	Sales	67,896	-
	Professional Fees	-	184,512

Details of Closing Balances:

Name of the party	Nature of Transaction	March 31, 2019 (In US\$)	March 31, 2018 (In US\$) (Unaudited)
Mistral Solutions Private Limited	Accounts Receivable	112,557	124,357
	Accounts Payable	-	120,701
Mistral Technologies Private Limited	Accounts Payable	-	93,744

9. Subsequent events

The Company has evaluated subsequent events through the date of the financial statements till the date financial statements were made available for issuance through April 25, 2019. The Company is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

For Mistral Solutions Inc.



President

Date: April 25, 2019

