

# **TAAL Technologies, Inc**

**Financial Statements  
March 31, 2018 and 2017**

**TAAL Technologies, Inc.**  
**Contents**  
**March 31, 2017 and 2016**

---

	<b>Page(s)</b>
<b>Independent Auditors' Report</b> .....	1
<b>Financial Statements</b>	
Balance Sheets .....	2
Statements of Income and Retained Earnings .....	3
Statements of Cash Flows .....	4
Notes to Financial Statements.....	5-6

**Mitesh Jain Certified Public Accountant**  
**2 Hayloft Ln**  
**Roslyn Heights, NY 11577**  
**Tel 718-969-3929**  
**Fax 917-536-9747**

### **Independent Auditors' Report**

To the Stockholder of  
TAAL Technologies, Inc.

We have audited the accompanying balance sheets of TAAL Technologies, Inc. (the "Company") as of March 31, 2018 and 2017 and the related statements of income and retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of TAAL Technologies, Inc. as of March 31, 2018 and 2017 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*M. B. Jain*

New York, NY  
May 3, 2018

**TAAL Technologies, Inc.**  
**Balance Sheets**  
**March 31, 2018 and 2017**

---

	<b>March 31,</b>	
	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 152,526	\$ 59,066
Accounts receivable, net of allowance	341,961	126,690
Receivable - other	36,490	52,200
<b>Total current assets</b>	<b>530,977</b>	<b>237,956</b>
Non- Current Assets		
Vehicle, net of accumulated depreciation of \$2,113	11,973	-
<b>Total assets</b>	<b>\$ 542,950</b>	<b>\$ 237,956</b>
<b>Liabilities and stockholder's equity</b>		
Current liabilities		
Accounts payable and accrued expenses	234,101	\$ 26,654
<b>Total current liabilities</b>	<b>234,101</b>	<b>26,654</b>
Commitments and contingencies		
Stockholder's equity		
Common stock, \$1 par value; 50,000 shares authorized; 30,000 shares issued	30,000	30,000
Retained earnings	278,849	181,302
<b>Total stockholder's equity</b>	<b>308,849</b>	<b>211,302</b>
<b>Total liabilities and stockholder's equity</b>	<b>\$ 542,950</b>	<b>\$ 237,956</b>

The accompanying notes are an integral part of these financial statements.

**TAAL Technologies, Inc.**  
**Statements of Income and Retained Earnings**  
**Years Ended March 31, 2018 and 2017**

---

	<b>March 31,</b>	
	<u>2018</u>	<u>2017</u>
<b>Revenue from services</b>	<b>\$ 3,200,181</b>	\$ 2,165,999
Cost of services	<u>2,724,098</u>	<u>1,867,209</u>
<b>Gross profit</b>	<b>476,083</b>	298,790
Operating expenses	<u>336,781</u>	<u>204,484</u>
<b>Income before taxes</b>	<b>139,302</b>	94,306
Income taxes	<u>41,755</u>	<u>30,536</u>
<b>Net income</b>	<b>97,547</b>	63,770
<b>Retained earnings, beginning</b>	<u>181,302</u>	<u>117,532</u>
<b>Retained earnings, ending</b>	<u><b>\$ 278,849</b></u>	<u>\$ 181,302</u>

The accompanying notes are an integral part of these financial statements.

TAAL Technologies, Inc.  
Statements of Members Capital  
Years Ended March 31, 2018 and 2017

---

	<b>Common Stock</b>	<b>Additional paid in capital</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance at March 31, 2017	\$ 30,000	\$ -	\$ 181,302	\$ 211,302
Comprehensive income	-	-	97,547	97,547
Balance at March 31, 2018	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 278,849</b>	<b>\$ 308,849</b>

The accompanying notes are an integral part of these financial statements.

**TAAL Technologies, Inc.**  
**Statements of Cash Flows**  
**Years Ended March 31, 2018 and 2017**

	<b>March 31,</b>	
	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities</b>		
Net income	\$ 97,547	\$ 63,770
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	2,113	-
Increase (decrease) in cash attributable to changes in operating assets and liabilities:		
Accounts receivable	(215,271)	54,795
Prepaid expenses and other current assets	15,710	(36,370)
Accrued expenses	207,447	(39,320)
Payable to affiliate	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>107,546</b>	<b>42,875</b>
<b>Cash flows from Investing activities</b>		
Purchase of vehicle	(14,086)	-
<b>Net cash used in investing activities</b>	<b>(14,086)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>93,460</b>	<b>42,875</b>
<b>Cash and cash equivalents</b>		
Beginning	59,066	16,191
Ending	\$ 152,526	\$ 59,066
<b>Supplemental disclosures of cash flow information</b>		
Cash paid for:		
Income taxes	\$ 22,755	\$ 7,059

The accompanying notes are an integral part of these financial statements.

**TAAL Technologies, Inc.**  
**Notes to Financial Statements**  
**Years Ended March 31, 2018 and 2017**

---

**1. Organization**

TAAL Technologies, Inc. (“TAAL Tech” or the “Company”) is a Delaware corporation incorporated on June 19, 2009. It is a wholly owned subsidiary of TAAL Tech India Private Limited, a foreign entity. TAAL Tech is a niche engineering and technology solutions provider serving global corporations in their pursuit for faster innovation and technological excellence. TAAL Tech provides product engineering services, R&D services and IT Services customized to specific needs of individual customer.

**2. Summary of Accounting Policies**

**Cash and Cash Equivalents**

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash balances which are maintained financial institutions are insured by the Federal Deposit Insurance Corporation (“FDIC”). At various times throughout the year, the Company’s cash balances exceeded the FDIC limit. As of March 31, 2018, the Company has no cash account balances in excess of the amount insured by the FDIC.

**Accounts Receivable**

The Company generates revenues from sales of services by placement of employees at parent and affiliated companies’ clients. Revenues are recognized as services are performed. The majority of revenues are generated by placement, where billings are generally negotiated and invoiced on a cost plus basis. Accordingly, as contingent workers are placed, the Company records revenues based on the hours worked. Provisions for sales allowances, based on historical experience, are recognized at the time the related sale is recognized.

The Company records revenues from sales of services and the related direct costs in accordance with the accounting guidance on reporting revenue gross as a principal versus net as an agent. In situations where we act as a principal in the transaction, the Company reports gross revenues and cost of services. When the Company acts as an agent, the revenue is recorded on the net basis. Amounts billed to clients for out-of-pocket or other cost reimbursements are included in revenues from services, and the related costs are included in cost of services.

**Allowance for Doubtful Accounts**

The Company records an allowance for doubtful accounts recorded as an estimate of the accounts receivable balance that may not be collected. This allowance is calculated on an entity-by-entity basis with consideration for historical write-off experience, the current aging of receivables and a specific review for potential bad debts. Items that affect this balance mainly include bad debt expense and the write-off of accounts receivable balances.



**TAAL Technologies, Inc.**  
**Notes to Financial Statements**  
**Years Ended March 31, 2018 and 2017**

---

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Income Taxes**

Income taxes are recorded in accordance with the accounting guidance on income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and net operating loss and tax credit carryforwards.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company records a valuation allowance against deferred tax assets for which utilization of the asset is not likely.

**3. Related Party Transaction**

The significant portion of revenue is earned from the parent company which amounted to \$3,060,511 and \$2,165,999 for the years ended March 31, 2018 and 2017, respectively. As of March 31, 2018 and 2017, the balance outstanding from this affiliate was \$341,961 and \$181,485, respectively, which is presented as accounts receivable in the accompanying balance sheets.

**4. Income Taxes**

The income tax expense consists of the following for the years ended March 31:

	<b>2018</b>	<b>2017</b>
Federal income tax	<b>\$34,000</b>	\$24,484
State income tax	<b>\$7,755</b>	<b>\$6,052</b>
Total	<b>\$41,755</b>	<b>\$30,536</b>

**5. Subsequent Events**

In preparing these financial statements, the Company has evaluated subsequent events through May 3, 2018, which is the date the financial statement were available to be issued.

**TAAL Technologies, Inc.**  
**Notes to Financial Statements**  
**Years Ended March 31, 2018 and 2017**

---