

Mentor Minds Solutions & Services Inc

Consolidated Balance Sheet

March 31, 2015

ASSETS

	As at March 31, 2015 USD	As at March 31, 2014 USD
Current assets		
Cash and cash equivalents	673,321	291,700
Accounts receivable	867,408	556,754
Total Current assets	<u>1,540,729</u>	<u>848,454</u>
Fixed assets, net	113,718	12,958
Product development, net	1,283,316	901,841
Other asset	<u>315,645</u>	<u>416,883</u>
Total assets	<u>3,253,408</u>	<u>2,180,136</u>

LIABILITIES and STOCKHOLDER'S EQUITY

Current liabilities		
Accounts Payable	7,178	38,855
Other current liabilities	110,512	195,235
Taxes payable	<u>256,666</u>	<u>82,615</u>
Total Current liabilities	<u>374,356</u>	<u>316,705</u>
Stockholder's equity		
Common stock, par value \$1.00, 1,000,000 shares authorized, issued and outstanding	1,000,000	1,000,000
Additional paid-in capital	250,000	250,000
Other comprehensive income	(4,977)	(7,562)
Retained earnings	<u>1,634,029</u>	<u>620,993</u>
Total stockholder's equity	<u>2,879,052</u>	<u>1,863,431</u>
Total liabilities and stockholder's Equity	<u>3,253,408</u>	<u>2,180,136</u>

- See the Accompanying notes to financial statements -

Mentor Minds Solutions & Services Inc

Consolidated Statements of Income

For the year ended March 31, 2015

	For the year ended March 31, 2015 <u>USD</u>	For the year ended March 31, 2014 <u>USD</u>
Net revenue	3,549,700	1,781,615
Cost of revenue	1,724,450	1,030,030
Gross profit	<u>1,825,250</u>	<u>751,585</u>
Operating expenses:		
Selling, general and administrative expenses	<u>337,483</u>	<u>168,920</u>
Income before other expenses	1,487,767	582,665
Other expenses		
Depreciation	(9,540)	(9,540)
Amortization	<u>(208,525)</u>	<u>(257,395)</u>
Total other expenses	<u>(218,065)</u>	<u>(266,935)</u>
Income before income tax	1,269,702	315,730
Provision for income tax	<u>(256,666)</u>	<u>(82,615)</u>
Net Income	<u><u>1,013,036</u></u>	<u><u>233,115</u></u>

- See the Accompanying notes to financial statements -

Mentor Minds Solutions & Services Inc

Consolidated Statement of Changes in Stockholder's Equity For the year ended March 31, 2015

	Common Stock				
	Number of Shares	Capital stock	Additional paid-up capital	Retained earnings	Other comprehensive income
Balance at March 31, 2014	1,000,000	1,000,000	250,000	620,993	(7,562)
Other comprehensive loss	-	-	-	-	2,585
Net income	-	-	-	1,013,036	-
Balance at March 31, 2015	<u>1,000,000</u>	<u>1,000,000</u>	<u>250,000</u>	<u>1,634,029</u>	<u>(4,977)</u>

- See the Accompanying notes to financial statements -

USD

Total
stockholder's
equity

1,863,431

2,585

1,013,036

2,879,052

- See the Accompanying notes to financial statements -

Mentor Minds Solutions & Services Inc

Consolidated Statement of Cash Flows For the Year Ended March 31, 2015

	As at March 31, 2015 USD	As at March 31, 2014 USD
Cash flows from operating activities:		
Net income	1,013,036	233,115
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	9,540	9,540
Amortization	208,525	257,395
Foreign currency translation loss	<u>2,585</u>	<u>(1,120)</u>
Operating profit before Changes in assets and liabilities	<u>1,233,686</u>	<u>498,930</u>
Changes in assets and liabilities		
(Increase)/Decrease in accounts receivable	(310,654)	208,883
(Increase)/Decrease in other assets	101,238	41,899
Increase/(Decrease) in accounts payable	(31,677)	(9,647)
Increase/(Decrease) in other current liabilities	(84,723)	(107,340)
Increase/(Decrease) in taxes payable	174,051	46,630
Total adjustments	<u>(151,765)</u>	<u>180,425</u>
Net cash provided by operating activities	<u>1,081,921</u>	<u>679,355</u>
Cash flows from investing activities:		
Increase in fixed assets	(110,300)	-
Increase in product development cost	<u>(590,000)</u>	<u>(450,000)</u>
Net cash used in investing activities	<u>(700,300)</u>	<u>(450,000)</u>
Net increase in cash	381,621	229,355
Cash at the beginning of the year	<u>291,700</u>	<u>62,345</u>
Cash at the end of the year	<u>673,321</u>	<u>291,700</u>

- See the Accompanying notes to financial statements -

Mentor Minds Solutions & Services Inc
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

1) Organization and Description of Business

Mentor Minds Solutions & Services, Inc., ("the Company") was incorporated in New Jersey, USA.

The Company is a leading business solutions and technology provider specializing in software design and development, systems integration, web services and enterprise mobilization development. Mentor Minds offers flexible delivery models with the most optimal combination of people, process and technology.

The Company has acquired all the 100 common shares of "SRM Tech Canada Inc." pursuant to a stock purchase and sale agreement during 2007.

In January 2011, pursuant to stock purchase agreement, the Shareholders transferred all of its common stocks to 8K Miles Software Services Ltd, (Incorporated under Indian Company Law).

The Company is a leading business solutions and technology provider specializing in software design and development, systems integration, web services and enterprise mobilization development, Mentor Minds offers flexible delivery models with the most optimal combination of people, process and technology.

The Company offers a diverse range of business solutions and technology services to customers in various domains such as :-

Banking and financial services, Insurance, Health Care and Retail

The Company has a perfect blend of technologists and domain experts that are capable of effectively addressing customers' challenges and converting their business requirements into technical solutions. The Company deploys different delivery models such as onsite, offshore and hybrid based on the complexity of the project, timeline and other parameters.

2) Principles of Consolidation

The accompanying consolidated financials statements presented in this report consist of the following related companies.

Mentor Minds Solutions & Services Inc.	A New Jersey corporation, USA
Mentor Minds Solutions & Services Inc (Canada).	A wholly owned subsidiary located in Canada.

The Consolidated financial statements have been prepared on a year end March 31, 2015 and are in accordance with the accounting principles generally accepted in the United States of

3) Foreign Currency Translation

The functional currency of the Company is US Dollar and that of the subsidiary company Mentor Minds Solutions & Services Inc, Canada is in Canadian dollar. The accompanying financial statements are reported in US dollars. The translation of Canadian dollar into US dollar is performed for balance sheet accounts using exchange rates as of the balance sheet date and average rates for revenue and expenses accounts for the respective years.

Mentor Minds Solutions & Services Inc

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

4) Summary of significant Accounting Policies

a) Accounting Policies

These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP"); consequently, revenue is recognized when services are rendered and expenses reflected when costs are incurred.

b) Use of 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 use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are often based on judgements, probabilities and assumptions and management believes are reasonable but that are inherently uncertain and unpredictable. As a result, actual result could differ from those estimates.

Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustment, if any, to the estimates used are made prospectively based on such periodic evaluations.

c) Accounting Receivables

The Company determines the allowance for doubtful accounts based on assessed customers' ability to pay, historical write-off experience, and economic trends. Such allowance for doubtful accounts is the company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. At March 31, 2015 the allowance for bad debts was \$ Nil (previous year \$ Nil)

d) Revenue Recognition

The Company recognizes revenue in accordance with the SEC's Staff Accounting Bulletin Topic 13 ("Topic 13"), "Revenue Recognition". Revenue is recognized when all of the following criteria are met: (1) persuasive evidence of an arrangement exists, (2) delivery has occurred or services have been rendered, (3) the seller's price to buyer is fixed and determinable, and (4) collectability is reasonably assured.

Revenue are primarily derived from professional services and from software products under time and materials contracts, which are recognized in the period in which services are provided.

Revenue related to services performed without a signed agreement or work order are not recognized until there is evidence of an arrangement, such as when agreements or work orders are signed or payment is received; however, the cost related to the performance of such work is recognized in the period the services are rendered. Unbilled accounts receivable represents amounts recognized as revenue based on services performed in advance of customer billings.

Revenues related to fixed price contracts for professional services are recognized using a model that is similar to the proportional performance method. Anticipated losses are recognized when they become known. Revisions in estimated profits are made in the month in which the circumstances requiring the revision become known.

The Company recognizes revenue on time-and-materials contracts as the services are performed for clients. Revenues on fixed-price contracts are recognized using the percentage of completion method. Percentage of completion is determined by relating the actual cost of work performed to date to the estimated total cost for each contract. If the estimate indicates a loss on a particular contract, a provision is made for the entire estimated loss without reference to the percentage of completion.

Mentor Minds Solutions & Services Inc
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

e) Credit and Business Concentration

The Company's financial instruments that are exposed to concentration of credit risks consist primarily of cash and accounts receivable. The Company maintains its cash in bank accounts, which, at times, exceed federally insured limits. The Company has not experienced and loss in such accounts. The Company believes it is not exposed to significant credit risk on cash. Credit risks associated with trade receivables is minimal due to the Company's large customer base and ongoing procedures, which monitor the credit worthiness of its customers.

f) Property and Equipment

Property and equipment are stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives by the straight-line-method. Depreciation of an asset commences when the asset is put into use. The estimated useful lives of the related assets range from 5 to 7 years. The company charges repairs and maintenance costs that do not extend the lives of the assets, to expenses as incurred.

Property and equipment as on March 31, 2015 consists of the following: -

Computers and Accessories		\$ 135,883
Telephone equipments		8,000
Automobiles		13,982
Furniture and fixtures		<u>16,883</u>
	Total	174,748
Accumulated Depreciation		<u>61,030</u>
Net Assets		<u>\$ 113,718</u>

Depreciation expenses during the year ended March 31, 2015 was \$ 9,540

Product development consists of the following at March 31, 2015:

Costs		\$ 2,343,859
Accumulated amortization		<u>\$ (1,060,543)</u>
Total		<u>\$ 1,283,316</u>

Amortization expenses during the year ended March 31, 2015 was \$ 208,525

g) Income Tax

The Company is a C Corporation. This year provision for liability for federal income taxes has been made \$ 141,697. The Company's effective tax was 30.77% for the year ended March 31, 2015. The future effective income tax rate depends on various factors, such as the Company's income (loss) before taxes, tax legislation and the geographic composition of pre-tax income.

Mentor Minds Solutions & Services Inc
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

5) **Deferred Income-Tax**

Deferred taxes are determined utilizing the "asset and liability" method based on the estimated future tax effects of temporary differences between the financial accounting and tax bases of assets and liabilities under the applicable tax laws, and on tax rates anticipated to be in effect when the deferred taxes are expected to be paid or realized. A valuation allowance is provided if, based upon the weight of available evidence, it is "more likely than not" that a portion of the deferred tax assets will not be realized. In the event that a valuation allowance relating to a business acquisition is subsequently reduced, the adjustment is recognized in the statement of income. Deferred tax liabilities and assets are classified as current or non-current based on the classification of the related asset or liability for financial reporting, or according to the expected reversal dates of the specific temporary differences where appropriate.

6) **Related Party Transactions**

Services procured from and expenses reimbursed to the parent company

During the year ended March 31, 2015, the Company provided and received services of \$ Nil to the related party.

During the year ended March 31, 2015, the Company paid \$ 36,000 to officer of the Company.

As of March 31, 2015, the Company had a receivable balance of \$ Nil from and a payable balance of \$ 110,512/- to the related parties.

7) **New Accounting Pronouncements**

(a) In May 2009, the FASB issued authoritative guidance establishing principles and requirements for recognition and disclosure of subsequent events in the financial statements. The Company's adoption of this guidance last year did not have a material effect on Company's financial operations.

(b) In June 2009, the FASB issued authoritative guidance "The FASB Accounting Standards Codification and Hierarchy of Generally Accepted Accounting Principle, a replacement of FASB statement No 162" (Codification). The codification does not alter current US GAAP, but rather integrates existing accounting standards with other authoritative guidance. Under the codification, there is a single source of authoritative US GAAP for non-governmental entities and it supercedes all other previously issued non-SEC accounting and reporting guidance. The codification is effective for financial statement periods ending after September 15, 2009. Company's adoption of the codification on July 1, 2009 did not have a material effect on

c) In July 2006, the FASB issued FASB interpretation No.48 ("FIN 48"), "Accounting for Uncertainty in Income taxes". FIN 48 prescribes detail guidance for the financial statements recognition, measurement and disclosure of certain tax positions recognized in an enterprise's financial statements in accordance with FASB statement no.109, "Accounting for Income Taxes." Tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized upon the adoption of FIN 48 and in subsequent periods. FIN 48 is effective for fiscal years beginning after December 15, 2006, and the provisions of FIN 48 are applied to all tax positions upon initial adoption of the Interpretation. The cumulative effect of applying the provisions of this Interpretation are reported as an adjustment to the opening balance of retained earnings for each fiscal year. The effect of FIN 48 will not have any significant effects

Mentor Minds Solutions & Services Inc
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

8) Commitments

The Company leases office facilities in New Jersey, USA and Toronto, Canada under a non-cancelable operating lease expiring on October 31, 2015. The aggregate future minimum lease payments for the year ended March 31 2015:

	<u>USA</u>	<u>CANADA</u>
2015	\$ 29,995	\$ 5,075
Total	----- \$ 29,995	----- \$ 5,075

For the year ended March 31, 2015 rent expenses was \$ 60,117.