



### **Independent auditor's report**

To the Board of directors of Orbit Inc.

### **Report on the audit of financial statements**

We have audited the financial statements of Orbit Inc. (the Company), which comprise of the statement of financial position as at March 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements present fairly, give a true and fair view of the financial position of the Company as at March 31, 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as issued by International Accounting Standards Board.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibility of management and board of directors for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect

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material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DocuSigned by:

*Joseph Reeve CPA*  
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Joseph Reeve CPA

New York, NY

May 05, 2023

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**ORBIT INC.**  
**BALANCE SHEET AS AT MARCH 31, 2023 and 2022**  
*(All Amounts are stated in United States Dollars unless otherwise stated)*

	Notes	As at	
		31-Mar-23 (US \$)	31-Mar-22 (US \$)
<b>Balance sheets</b>			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	23,134	28,991
Accounts receivables, net of allowances	4	2,56,762	1,40,209
Inventories, net of provisions	5	15,54,309	15,97,668
Other Current Assets	6	539	7,235
<b>Total current assets</b>		<u>18,34,744</u>	<u>17,74,104</u>
Property, plant and equipment, net	7	1	49
Other Non Current Assets	8	21,795	19,400
<b>Total assets</b>		<u>18,56,540</u>	<u>17,93,553</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable, due to parent		4,27,691	4,11,856
Accounts payable		8,996	9,749
Other current liabilities	9	32,652	10,175
<b>Total current liabilities</b>		<u>4,69,339</u>	<u>4,31,780</u>
Deferred Tax Liabilities		0	308
<b>Total liabilities</b>		<u>4,69,339</u>	<u>4,32,089</u>
<b>Stockholders' equity</b>			
Common stock		12,00,000	12,00,000
Accumulated earnings		1,87,201	1,61,462
<b>Total stockholders' equity</b>		<u>13,87,201</u>	<u>13,61,462</u>
<b>Total liabilities and stockholders' equity</b>		<u>18,56,540</u>	<u>17,93,553</u>

Date : May 05, 2023

For Orbit Inc.



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## ORBIT INC.

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2023 and 2022

(All Amounts are stated in United States Dollars unless otherwise stated)

Statements of income	For the year ended	For the year ended
	31-Mar-23 (US \$)	31-Mar-22 (US \$)
<b>Revenues</b>		
Operating revenues	23,47,962	15,70,757
Marketing fees	-	-
<b>Total revenues</b>	<b>23,47,962</b>	<b>15,70,757</b>
<b>Costs and expenses</b>		
Cost of revenue	16,09,000	10,43,845
Selling, general and administrative	7,03,726	5,01,202
Depreciation and amortization	48	618
<b>Total cost and expenses</b>	<b>23,12,774</b>	<b>15,45,665</b>
<b>Operating income</b>	<b>35,188</b>	<b>25,091</b>
<b>Income before income taxes</b>	<b>35,188</b>	<b>25,091</b>
Income tax expenses	-	-
Current tax	10,557	7,527
Deferred tax expense	(308)	-
Income tax for earlier year	(800)	-
<b>Net comprehensive income</b>	<b>25,739</b>	<b>17,564</b>
Basic & Diluted Earning per share	0.02	0.01

For Orbit Inc.



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Date : May 05, 2023

**ORBIT INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2023 and 2022**  
*(All Amounts are stated in United States Dollars unless otherwise stated)*

Particulars	As at 31-Mar-23 (US \$)	As at 31-Mar-22 (US \$)
<b>Cash flow from operating activities</b>		
Net income	35,188	17,564
<b>Adjustments to reconcile net income to net cash used in operating activities</b>		
Depreciation and amortization	48	618
<b>Changes in assets and liabilities</b>		
Accounts receivables, net of allowances (held on behalf of parent)	(1,16,553)	1,82,721
Inventories	43,359	(1,90,168)
Other current assets	6,696	-
Other assets	(2,395)	-
Accounts payable, due to parent company	15,835	(937)
Accounts payable	(753)	6,926
Other current liabilities	25,299	3,421
Payment of taxes	(12,580)	-
<b>Net cash provided by operating activities</b>	<b>(5,857)</b>	<b>20,145</b>
<b>Cash flow from investing activities</b>		
Purchase of property and equipment	0	0
<b>Net cash used in investing activities</b>	<b>0</b>	<b>0</b>
<b>Cash flow from financing activities</b>		
Issuance of common stock	-	-
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>(5,857)</b>	<b>20,145</b>
Cash and Cash equivalents at the beginning of the year	28,991	8,846
<b>Cash and Cash equivalents at the end of the year</b>	<b>23,134</b>	<b>28,991</b>

Date : May 05, 2023

For Orbit Inc.



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**ORBIT INC.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2023 and 2022**  
*(All Amounts are stated in United States Dollars unless otherwise stated)*

Particulars	Authorised		Issued and outstanding		Retained Earnings	Total Stockholders equity
	Shares	Value	Shares	Value		
<b>Balance as at March 31, 2021</b>	50,00,000	50,00,000	12,00,000	12,00,000	1,43,898	13,43,898
Issuance of common stock						
Net income for the year					17,564	17,564
<b>Balance as at March 31, 2022</b>	50,00,000	50,00,000	12,00,000	12,00,000	1,61,462	13,61,462
Issuance of common stock						
Net income for the year					25,739	25,739
<b>Balance as at Mar 31, 2023</b>	<b>50,00,000</b>	<b>50,00,000</b>	<b>12,00,000</b>	<b>12,00,000</b>	<b>1,87,201</b>	<b>13,87,201</b>

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**ORBIT INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023 AND 2022**  
*(All Amounts are stated in United States Dollars unless otherwise stated)*

**Note 1: Organization and Nature of Operations**

Orbit Inc. ('OI' or 'the Company) was incorporated in Delaware, United States on May 16, 2013 and has obtained a Certificate of Qualification to conduct business in the States of California as Orbit International Inc. OI is wholly owned subsidiary of Orbit Exports Limited ('OEL India' and 'Parent); an Indian public listed Company. The Company commenced business operations in the month of May 2013.

**Note 2: Summary of Significant Accounting Policies**

**Basis of preparation of financial statements**

The accompanying financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles to reflect the financial position and results of operations of the Company. The financial statements have been presented in United States Dollars.

**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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Revenue Recognition**

The Company derives revenues from selling fabric products to the United States of America, Mexico and Central America. The Company recognizes the revenue from selling fabric products when earned, specifically when the performance obligation has been satisfied. The Company has adopted ASC 606 from April 1, 2019 and follows five step model for revenue recognition. The Company does not see major change on adoption of new revenue standard.

**Cash and Cash Equivalents**

The Company considers all highly liquid investments and deposits with a remaining maturity of ninety days or less on the date of purchase to be cash and cash equivalents. It comprises of cash on hand and checking account in bank.

**Accounts Receivable**

Accounts receivable are recorded at net realizable value. Accounts receivables from parent Company represents marketing fees receivable. Accounts receivables depicted as held on behalf of the parent Company represents the amount collectible from the ultimate customers as OEL India bears the total risk of collection, bad debts if any. The Company provides provisions for uncollectible accounts receivable based upon factors surrounding the credit risk and activity of specific customers, historical trends and other information. The amounts of recording are based on the contracted prices or estimated receipts. There is no allowance for uncollectible accounts was considered necessary as at March 31, 2023.

**Inventories**

Inventory consists of fabrics received from OEL India and are stated at lower of cost or market. The cost of inventory includes the transfer price of the products and expenses incurred on freight, customs duty and other incidental expenses. Inventories are held on behalf of OEL India and delivered to customers on receipt of instructions from OEL India.



**ORBIT INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023 AND 2022**  
*(All Amounts are stated in United States Dollars unless otherwise stated)*

**Property and equipment**

Property and equipment are stated at cost, less accumulated depreciation. The Company depreciates property and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Computer equipment	2-7 years
Furniture and equipment	4-7 years
Warehouse equipment	3-7 years

**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'.

**Impairment of other tangible assets**

Long-lived tangible assets including equipment and improvements are tested for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. Impairment loss is recorded when the book value of such assets exceeds the estimated future undiscounted cash flows attributable to the asset. During the year ended March 31, 2021, the Company has not recorded any impairment of tangible assets.

**Operating Leases**

Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term.

**Fair Value Measurement**

The Company applies the provisions of FASB ASC 820, Fair Value Measurements and Disclosures, for fair value measures of assets and liabilities that are recognized and disclosed at fair value in the financial statements on a recurring basis. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Company did not have material impact on adoption of this standard.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 – Quoted prices for identical instruments in active markets
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which significant value drivers are observable
- Level 3 – Valuations derived from valuation techniques in which significant value drivers are unobservable

**Contingencies**

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



## ORBIT INC.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023 and 2022

(All Amounts are stated in United States Dollars unless otherwise stated)

## Note 3 Cash and cash equivalents

Cash and cash equivalents comprise the following:-

Particulars	As at 31-Mar-23	As at 31-Mar-22
Checking account	22,625	28,351
Cash on hand	509	640
<b>Total</b>	<b>23,134</b>	<b>28,991</b>

## Note 4 Accounts receivable, net

Particulars	As at 31-Mar-23	As at 31-Mar-22
Accounts receivable, held on behalf of parent	2,56,762	1,40,209
Less: Allowance for doubtful debts	-	-
<b>Total</b>	<b>2,56,762</b>	<b>1,40,209</b>

## Note 5 Inventories held on behalf of parent

Inventories held on behalf of Parent consist of:

Particulars	As at 31-Mar-23	As at 31-Mar-22
Fabric products	14,59,089	13,92,038
Goods-in-transit	1,57,719	2,68,130
Less : allowance for slow moving inventory	(62,500)	(62,500)
<b>Total</b>	<b>15,54,309</b>	<b>15,97,668</b>

## Note 6 Other Current Assets

Other current assets comprise the following:

Particulars	As at 31-Mar-23	As at 31-Mar-22
Prepaid expenses	539	7,235
Others	-	-
<b>Total</b>	<b>539</b>	<b>7,235</b>

## Note 7 Property, Plant &amp; Equipment

Equipment comprise the following:

	As at 31-Mar-23	As at 31-Mar-22
Computer equipment	6,087	6,087
Intangible Assets	755	755
Furniture and fixtures	5,169	5,156
Warehouse equipment	24,321	24,314
<b>Total</b>	<b>36,332</b>	<b>36,312</b>



**ORBIT INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2023 and 2022***(All Amounts are stated in United States Dollars unless otherwise stated)*

Less: Accumulated Depreciation	(36,331)	(36,263)
<b>Total</b>	<b>1</b>	<b>49</b>

**Note 8 Other non-current assets**

Other non-current assets comprise the following:

	As at	As at
	31-Mar-23	31-Mar-22
Deposits	21,795	19,400
<b>Total</b>	<b>21,795</b>	<b>19,400</b>

**Note 9 Other current liabilities**

Other current liabilities comprise the following:

	As at	As at
	31-Mar-23	31-Mar-22
Payroll accrual	444	417
Audit Fee Payable	5,000	4,250
Others	27,208	5,508
<b>Total</b>	<b>32,652</b>	<b>10,175</b>

**Note 10 Earning Per Share**

	For the year ended	
	31-Mar-23	31-Mar-22
Net income	25,739	17,564
Basic Weighted Average shares outstanding	12,00,000	12,00,000
Effect of Dilutive Securities	-	-
Dilutive Weighted Average Shares outstanding	-	-
Basic Earnings Per Share	0.02	0.01
Dilutive Earnings Per Share	0.02	0.01

**Note 11 Related Party Disclosure**

	31-Mar-23	31-Mar-22
<b>Orbit Exports Limited</b>		
<i>Transactions during the year</i>		
Purchases from OEL India	13,76,741	10,93,398
Issuance of common stock to OEL India	-	-
Reimbursement of expenses by OEL India	-	-
Payment made to OEL India	(13,60,899)	(9,60,955)
<i>Balances at the end of year</i>		
Accounts payable, due to parent company	4,27,691	4,11,856
Accounts receivable, due from parent company	-	-

For Orbit Inc.



Authorised Signatory

Date : May 05, 2023