Onward Technologies, Inc.

Financial Statements
March 31, 2017 and March 31, 2016

KNAV P.A.

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CPA[SM]
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Table of Contents

PARTNERS BEYOND BOUNDARIES

Independent Auditor's Report

Board of Directors
Onward Technologies, Inc.

We have audited the accompanying balance sheets of Onward Technologies, Inc. ('the Company') as at March 31, 2017 and March 31, 2016 and the related statements of income, stockholder's equity 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 audit.

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 organization'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 organization'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 the Company as of March 31, 2017, and March 31, 2016 and the results of its operations and cash flows for the years ended, in accordance with accounting principles generally accepted in the United States of America.

KNAV P.A.

Atlanta, Georgia
April 28, 2017

Financial statements

Balance sheets

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

	As at March 31, 2017	As at March 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	58,367	30,092
Accounts receivable, net	1,712,159	1,284,542
Accounts receivable (held on behalf of parent company)	614,952	638,995
Receivable from parent company	767,351	1,093,720
Prepaid expenses and other current assets	121,080	256,236
Total current assets	**3,273,909**	**3,303,585**
Property, equipment and software, net	260,534	142,500
Other assets	47,863	50,362
Total assets	**3,582,306**	**3,496,447**
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Line of credit	620,000	400,000
Accounts payable	33,476	52,223
Short term borrowing	84,161	67,163
Long term borrowing – current portion	-	22,714
Other current liabilities	271,565	247,642
Total current liabilities	**1,009,202**	**789,742**
Non-current liabilities		
Deferred tax liability	97,221	51,337
Total non-current liabilities	**97,221**	**51,337**
Stockholder's equity		
Common stock (250,000 shares authorized, 114,000 shares issued and outstanding; par value $ 20 per share)	2,280,000	2,280,000
Accumulated surplus	195,883	375,368
Total stockholder's equity	**2,475,883**	**2,655,368**
Total liabilities and stockholder's equity	**3,582,306**	**3,496,447**

(The accompanying notes are an integral part of these financial statements)

Statements of income

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

	For the years ended	
	March 31, 2017	**March 31, 2016**
Revenues		
Consulting service revenues	10,955,778	9,977,213
Marketing service revenues	339,804	261,556
Total revenues	**11,295,582**	**10,238,769**
Costs and expenses		
Cost of revenues	9,948,049	9,260,294
Selling, general and administrative	1,118,583	841,028
Depreciation	55,756	48,075
Interest expense, net	45,685	39,442
Total cost and expenses	**11,168,073**	**10,188,839**
Operating income	**127,509**	**49,930**
Provision for taxes		
Current tax expense	11,111	23,526
Deferred tax expense (benefit)	45,883	(12,943)
Net profit	**70,515**	**39,347**

(The accompanying notes are an integral part of these financial statements)

Statement of changes in stockholder's equity

(All amounts in United States Dollars, except no of shares or unless otherwise stated)

	Common stock					
	Authorized		Issued and outstanding			Total
Particulars	**Shares**	**Value US$**	**Shares**	**Value US$**	**Accumulated surplus**	**stockholder's equity**
Balance as at March 31, 2015	**250,000**	**5,000,000**	**114,000**	**2,280,000**	**336,021**	**2,616,021**
Net income for the year					39,347	**39,347**
Balance as at March 31, 2016	**250,000**	**5,000,000**	**114,000**	**2,280,000**	**375,368**	**2,655,368**
Net income for the year					70,515	**70,515**
Dividend distributed					(250,000)	**(250,000)**
Balance as at March 31, 2017	**250,000**	**5,000,000**	**114,000**	**2,280,000**	**195,883**	**2,475,883**

(The accompanying notes are an integral part of these financial statements)

Statements of cash flows

(All amounts in United States Dollars, unless otherwise stated)	For the years ended March 31, 2017	For the years ended March 31, 2016
Cash flow from operating activities		
Net income	**70,515**	**39,347**
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	55,756	48,075
Deferred tax expense benefit)	45,883	(12,943)
Loss on disposal of asset	655	-
Doubtful debts written off	32,378	5,200
Changes in assets and liabilities		
Accounts receivable, net	(459,995)	210,081
Accounts receivable (held on behalf of parent company)	24,043	159,145
Receivable from parent company	326,369	139,053
Other assets	2,499	931
Prepaid expenses and other current assets	135,156	3,885
Accounts payable	(18,747)	(255,589)
Other current liabilities	23,923	(91,648)
Net cash provided by operating activities	**238,435**	**245,537**
Cash flow from investing activities		
Property, equipment and software	(174,444)	(12,005)
Net cash used in investing activities	**(174,444)**	**(12,005)**
Cash flow from financing activities		
Line of credit, net	220,000	(250,000)
Dividend distributed	(250,000)	-
<u>Term loan</u>		
Proceeds	250,000	400,000
Repayment	(255,716)	(434,036)
Net cash used in financing activities	**(35,716)**	**(284,036)**
Net increase (decrease) in cash and cash equivalents	**28,275**	**(50,504)**
Cash and cash equivalents at the beginning of the year	30,092	80,596
Cash and cash equivalents at the end of the year	**58,367**	**30,092**
Supplemental cash flow information		
Interest paid	49,246	39,441
Income taxes paid	15,168	9,219

(The accompanying notes are an integral part of these financial statements)

Notes to Financial Statements

(All amounts in United States Dollars, unless otherwise stated)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements are as follows:

1. *Organization and nature of operations*

   Onward Technologies, Inc. ("the Company"), incorporated under the laws of Delaware, is a wholly owned subsidiary of Onward Technologies Limited ("OTL or the parent company"), a public listed company incorporated in India. The Company is in the business of providing mechanical engineering services & deploying software professionals on software projects and marketing of software applications on behalf of OTL. Onsite consulting work is usually performed under contracts which specify fixed hourly rates and which vary in length.

   The Company enters into contracts for offshore software development projects, on behalf of OTL. OTL undertakes the responsibility to deliver engineering design services and information technology software solutions and bears all the contractual and financial risks associated with these contracts.

   The operations of the Company are primarily conducted in the United States. The Company has offices in Chicago, Boston, Detroit and Milwaukee.

2. *Basis of preparation*

   a) The accompanying financial statements are prepared under the historical cost convention on accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States ('US GAAP') to reflect the financial position, results of operations and cash flows of the Company.

   b) The financial statements are for the years, April 1, 2016 through March 31, 2017 and April 1, 2015 through March 31, 2016.

   c) All amounts are stated in US dollars, except as otherwise specified.

   d) Certain reclassifications, regroupings and reworking have been made in the financial statements of prior year to conform to the classifications used in the current year. These changes had no impact on previously reported net income or stockholder's equity.

3. *Estimates and assumptions*

   In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States of America, 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. The important estimates made by the Company in preparing these financial statements include those on the useful life of property, equipment and software and estimations relating to unsettled transactions and events at the balance sheet date, allowance for doubtful accounts, real and property taxes, and current and deferred taxes. Actual results could differ from those estimates.

4. *Cash and cash equivalents*

Cash and cash equivalents includes current balances on bank accounts and highly liquid short-term deposits with an original maturity of ninety days or less. At March 31, 2017 and March 31, 2016, the reported cash and cash equivalents were primarily comprised of bank balances. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of $ 250,000. The Company believes it is not exposed to any significant risk on cash and cash equivalents.

5. *Allowance for doubtful accounts*

The Company follows the specific identification method for recognizing allowance for doubtful accounts on onsite software consulting receivables. Management analyzes the composition of the accounts receivable aging, historical bad debts, current economic trends and customer credit worthiness of each accounts receivable when evaluating the adequacy of the allowance for doubtful accounts. Allowance for doubtful accounts is included in selling, general and administrative expenses in the statement of income. .The Company charges off uncollectable amounts against the reserve in the period in which it determines they are uncollectable

6. *Revenue recognition*

Revenues from onsite software consulting services are based upon hours worked by Company employees on customer assignments and are recognized when the work is performed. Revenue is determined by multiplying the hours worked by the contractual billing rates. Substantially all customers are on monthly credit term basis.

Placement staffing revenues are recognized when employment candidates accept offers of employment and report for work with clients. The Company has a successful track record for placement of candidates who remain with its clients through the contracted guarantee period. Fees to clients are generally calculated as a percentage of the new employee's annual compensation. No fees for placement services are charged to employment candidates.

The Company invoices for offshore software development work on behalf of its parent company. The Company follows interpretation of FASB Accounting Standard Codification ("ASC") 605-45 – Revenue Recognition – Principal Agent Considerations, in reporting revenues from offshore software development work as an Agent and not as a Principal. The Company is billed by OTL for offshore software development work in accordance with its transfer pricing arrangement. The net impact of the customer invoicing by the Company and the corresponding billing by OTL to the Company leads to no revenues being recognized by the Company for offshore software development projects.

The Company, pursuant to its transfer pricing policy with the parent, recognizes marketing fees for marketing offshore software development facilities of the parent. The fees are accrued on a quarter-to-quarter basis and represent the costs incurred on the marketing activities and a suitable mark-up on those costs. Further the parent company charges finder fees and management fees for deputing its personnel on onsite software development jobs and providing offshore management support.

7. *Property, equipment and software*

Depreciation and amortization is provided for amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives by the straight-line method. Depreciation and amortization of an asset commences when the asset is put into use. The estimated useful lives used to determine depreciation are:

When assets are retired or otherwise disposed of, the cost of the asset and related depreciation are eliminated from the financial records. Any gain or loss on disposition is credited or charged to income

Nature of assets	Estimated life of assets
Office equipment	1-5 years
Furniture and fixtures	7 years
Computer hardware	5 years
Computer software	3 years
Leasehold improvement	7 years or period of lease

8. *Impairment of long-lived assets*

Property, equipment and software, including certain identifiable intangible assets, to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Such assets are considered to be impaired if the carrying amount of the assets is higher than the future undiscounted net cash flows expected to be generated from the assets. The impairment amount to be recognized is measured by the amount by which the carrying value of the assets exceeds its fair value.

9. *Income taxes*

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. 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 tax (or benefit) related to ordinary income (or loss) is computed at an estimated annual effective tax rate and the tax (or benefit) related to all other items is individually computed and recognized when the items occur. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded for deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Accounting Standard Codification (‘ASC”) 740 also clarifies the accounting for uncertainty in income taxes recognized in the financial statements. ASC 740 provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon audit, including resolutions of any related appeals or litigation processes, based on the technical merits of the position. ASC 740 also provides guidance on measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

The Company recognizes liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company recognizes interest and penalties related to uncertain tax positions within the provision for income taxes.

10. Operating lease

Lease rent expenses on operating leases are charged to expense over the lease term. Certain operating lease agreements provide for scheduled rent increases over the lease term. Rent expense for such leases is recognized on a straight-line basis over the lease term.

11. Fair values measurements and financial instruments

The Company applies fair value measurements to certain assets, liabilities and transactions that are periodically measured at fair value.

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

- Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

- Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

12. Non-direct response advertising

Non-direct response advertising costs are presented as part of selling, general, and administrative expenses in the statement of income. Advertising costs are expensed as incurred. The amount of advertising and marketing costs incurred by the company for the years ended March 31, 2017 and March 31, 2016 is $20,438 and $11,517 respectively.

13. Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigations, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	As at	
	March 31, 2017	**March 31, 2016**
Checking accounts	58,367	30,092
Total	**58,367**	**30,092**

NOTE C – ACCOUNTS RECEIVABLE, NET

The Company's accounts receivables relates to onsite software consulting services, placement staffing revenues and recoverable from parent company. Accounts receivables accounted by the Company on behalf of its parent company relate to offshore software development services and include reimbursable expenses invoiced to customers. The Company had gross receivables of $2,327,111 (previous year $1,923,537) as at March 31, 2017. The onsite software consulting income gross receivables amount to $1,712,159 (previous year $1,284,542) and the recoverable from parent company amounts to $767,351 (previous year $1,093,720), respectively. Offshore software development income receivables (held on behalf of the parent company) amount to $614,952 (previous year $683,995).

Based on its transfer pricing policy with its parent company, the Company does not bear any risk on account of bad debts and short collections on the offshore software development receivables of $614,952 ($638,995). Bad debts incurred and shortfalls in collections, with respect to the offshore software development income receivables are recoverable from OTL. OTL evaluates credit worthiness of customers for offshore software development projects and also accounts for the allowance for doubtful accounts on the offshore software development income receivables.

The movement in allowance for doubtful debts during the year is as:

	Year ended	
	March 31, 2017	**March 31, 2016**
Beginning balance	-	-
Add: During the year provision	32,378	5,200
Less: Doubtful accounts written off	(32,378)	(5,200)
Closing balance	**-**	**-**

NOTE D – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets comprise of:

	As at	
	March 31, 2017	**March 31, 2016**
Unbilled revenue	7,466	76,631
Advance tax	13,800	12,288
Prepaid expense	94,242	139,936
Advance to employees	5,572	27,381
Total	**121,080**	**256,236**

NOTE E – PROPERTY, EQUIPMENT AND SOFTWARE, NET

Property, equipment and software comprise the following:

	As at	
	March 31, 2017	**March 31, 2016**
Office equipment	36,159	29,958
Furniture and fixtures	219,334	169,286
Computers	64,440	76,771
Computer software	45,534	44,818

	As at	
	March 31, 2017	**March 31, 2016**
Leasehold improvement	77,485	-
Gross	442,952	320,833
Less: Accumulated depreciation	(182,418)	(178,333)
Property, equipment and software, net	**260,534**	**142,500**

Depreciation for the year ended March 31, 2017 and March 31, 2016 was $55,756 and $48,075, respectively. During the year, Company disposed of property, equipment and software of $52,326. As of March 31, 2017, Bank of America has first charge on the entire property, equipment and software of the Company *(Refer Note G)*.

NOTE F – OTHER ASSETS

As at March 31, 2017 and March 31, 2016, other non-current assets comprised of security deposits of $47,863 and $50,362, respectively.

NOTE G – SHORT TERM BORROWINGS

	As at	
	March 31, 2017	**March 31, 2016**
Working Capital Loan A- 3.38% due April 2016	-	67,163
Working Capital Loan B- 3.17% due August 2017	84,161	-
Revolving Credit Facility- 5% (previous year 4.5%)	620,000	400,000
Total	**704,161**	**467,163**

Facility A -The Company had a term loan facility of $400,000 for meeting its working capital requirements. The credit facility was secured by a first charge on the tangible assets of the Company and the corporate guarantee of the parent company. The fixed interest rate on the term loan facility was 3.38%. The term loan is repayable in equal combined installments and the repayment began in June 15, 2015. The outstanding balance as on March 31, 2016 is $67,163 which was repaid subsequently during the year.

Facility B -The Company obtained a new term loan facility of $250,000 for meeting its working capital requirements. The credit facility is secured by a first charge on the tangible assets of the Company and the corporate guarantee of the parent company. The fixed interest rate on the term loan facility is 3.17%. The term loan is repayable in equal combined installments and the repayment began on August 18, 2016. The amount of loan outstanding as of March 31, 2017 is $84,161.

The Company has obtained a $1,500,000 secured revolving credit facility to meet its working capital requirements, which was renewed during the year. The duration of this facility is one year from October 2016. The credit facility bears interest at the rate of prime plus 1%. The average interest rate on the credit facility during the year ended March 31, 2017 was 5% (previous year 4.5%). As of March 31, 2017, the outstanding amount of this facility aggregated to $620,000 (March 31, 2016: $400,000). The credit facility is secured by a first charge on the tangible and intangible assets of the Company and the corporate guarantee of the parent company.

NOTE H – LONG TERM BORROWING

Long term borrowing consisted of following:

	As at	
	March 31, 2017	March 31, 2016
Long term borrowing, payable in monthly installments of $2,188 including interest at 3.15% p.a. from April 2014 & March 2017, collateralized by office furniture.	-	22,714
Less: Current portion	-	(22,714)
Long term borrowings, non-current	**-**	**-**

Long term borrowing was repaid in full during the year.

NOTE I – COMMITMENTS AND CONTINGENCIES

Operating leases

The Company conducts its operations from leased premises under non-cancelable operating leases. The leased office premises are in Chicago, Boston, Detroit and Milwaukee. The rent expense for the 12 months ended March 31, 2017 was $240,842 (previous year $212,212). The minimum rental commitment under these non-cancelable operating leases is approximately as follows:

Year ending March 31	Amount
2018	179,842
2019	166,309
2020	169,977
2021	173,044
2022	52,589

NOTE J – RELATED PARTY TRANSACTIONS

A. The following are the related parties with whom transactions have taken place during the year with the Company having closing balances:

   a. Onward Technologies Limited– Parent Company

B. Summary of transactions with related parties are as follows:

	Year ended	
	March 31, 2017	March 31, 2016
For services rendered by OTL to the Company		
Expenses of the Company paid by OTL and reimbursed to OTL	16,685	49,986
Invoices raised by OTL on OTI towards offshore software development services (as per transfer pricing agreement)	3,582,720	3,207,637
Management services provided by OTL to the Company	174,514	177,786

	Year ended March 31, 2017	Year ended March 31, 2016
For services rendered by the Company to OTL		
Invoices raised by OTI on customers of OTL towards offshore software development services provided by OTL	3,582,720	3,207,637
Expenses of OTL paid by the Company and reimbursed by OTL	162,720	234,798
Marketing services rendered by Company to OTL	339,804	261,556
Dividend paid to OTL	250,000	-

Year-end balances	As at March 31, 2016	As at March 31, 2015
Receivable from OTL	767,351	1,093,720
Accounts receivables held on behalf of OTL	614,952	638,995

NOTE K - INCOME TAXES

The provision for income tax expense is as follows:

	Year ended March 31, 2017	Year ended March 31, 2016
Federal		
Current	2,746	13,024
Deferred	40,132	(12,261)
State		
Current	8,365	10,502
Deferred	5,751	(682)
Income tax expense	**56,994**	**10,583**

The following is the summary of items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income taxes:

	Year ended March 31, 2017	Year ended March 31, 2016
Income tax at federal rate	29,676	7,619
State tax, net of federal effect	8,688	3,679
Return to provision	1,632	(3,166)
Permanent differences	18,408	14,200
Tax Rate Differential	(1,410)	(11,750)
Total	**56,994**	**10,583**

The following is the summary of items giving rise to deferred tax assets (liabilities):

	As at	
	March 31, 2017	**March 31, 2016**
Non-current deferred tax asset		
Net operating losses	3,388	3,306
Total deferred tax asset	**3,388**	**3,306**

	As at	
	March 31, 2017	**March 31, 2016**
Non-current deferred tax liability		
Property, equipment and software	(100,609)	(54,643)
Total deferred tax liability	**(100,609)**	**(54,643)**
Net non-current deferred liability	**(97,221)**	**(51,337)**

The Company has state carryforward losses of $79,615 and $80,238 as on March 31, 2017 and March 31, 2016, respectively, to reduce future state taxable income. These losses begin to expire from tax year 2016.

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all of the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference become deductible. Considering the profitability position of the Company over last few years and availability of taxable temporary differences, the management believes that it is more-likely-than-not that the Company will realize the deferred tax asset on the state net operating losses of $3,338.

The non-current deferred tax assets are offset against non-current deferred tax liabilities and accordingly there is a net non-current deferred tax liability of $51,337 and $97,221 as on March 31, 2016 and March 31, 2017, respectively.

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as at March 31, 2017 and March 31, 2016.

The tax years of 2013 through 2015 remain subject to examination by the taxing authorities.

NOTE L – RISK AND UNCERTAINTIES

The Company's future results of operations involve several risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, but are not limited to: deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in sales; insufficient, competitive factors, including but not limited to pricing pressures; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

NOTE M - CONCENTRATION OF CREDIT RISK

The Company has concentration in respect of region in which it operates, which is the United States. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. To reduce its credit risk, the Company performs ongoing credit evaluations of customers. No customer accounted for more than 10% and more of the onsite consulting accounts receivable as at March 31, 2017 and no customer accounted for 10% and more of the onsite consulting revenues for the year ended March 31, 2017.

NOTE N – STOCKHOLDER'S EQUITY

The Company's authorized share capital comprises of 250,000 common shares with a par value of $20 each. As on March 31, 2017 and March 31, 2016 the Company's issued and subscribed share capital is 114,000 common shares of $20 each, aggregating to $2,280,000.

Each holder of common shares is entitled to one vote per share. The shareholders are entitled to dividends based on the number of shares they hold. In the event of liquidation of the Company, the holders of common shares will be entitled to receive the remaining assets of the Company, post distribution of all preferential amounts. The distribution will be in proportion to the number of the common shares held by shareholders.

NOTE O – RETIREMENT PLANS

The Company contributes to defined contribution 401(k) plans for salaried and eligible hourly personnel. The Company is not contributing towards the plan.

NOTE P - SEGMENT INFORMATION

The Company provides services to customers primarily in the United States. For the purpose of disclosure of segment information, the Company considers this as a single business segment.

NOTE Q - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2017 through April 28, 2017, the date the financial statements are issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.