

HCL TOUCH, INC
Audit Report
June 30, 2013

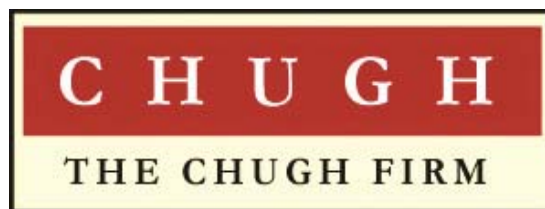
Prepared by:

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CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Balance Sheet	3-4
Statement of Income	5
Statement of Retained Earnings	6
Statement of Cash Flows	7
Notes to Financial Statements	8-11
SUPPLEMENTAL INFORMATION	
Schedule A Cost of Sales	12
Schedule B Selling General & Administrative Expenses	13
Schedule C Income Tax Expense (Benefit)	14

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Report of Independent Auditors

To the Board of Directors and Stockholders
of HCL Touch, Inc.

We have audited the accompanying balance sheet of HCL Touch, Inc. a Delaware corporation as of June 30, 2013 and for the period August 29, 2011 to June 30, 2012, and the related statements of income, changes in the stockholders' equity, and cash flows for the years then ended and the related notes to the financial statements.

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 consolidated financial statements. The procedures selected depend on 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HCL Touch, Inc. as of June 30, 2013 and for the period August 29, 2011 to June 30, 2012 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.

A handwritten signature in blue ink that reads 'The Chugh Firm'.

The Chugh Firm

Date: October 25, 2013

HCL TOUCH, INC.
BALANCE SHEET
AS OF JUNE 30, 2013



ASSETS

	As of June 30, 2013	As of June 30, 2012
CURRENT ASSETS		
Cash in Bank	\$ 423,699	\$ 208,228
Cash Reserve	32,810	8,502
Accounts Receivable	1,020	2,940
Prepaid Expenses	4,971	1,611
Undeposited Funds	-	5,440
Deferred Tax Assets	64,712	1,662
Other Receivable	138	0
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	527,349	228,382
OTHER ASSETS		
Deposits	2,614	2,614
	<hr/>	<hr/>
TOTAL OTHER ASSETS	2,614	2,614
	<hr/>	<hr/>
TOTAL ASSETS	\$ 529,963	\$ 230,996

HCL TOUCH, INC.
BALANCE SHEET
AS OF JUNE 30, 2013



LIABILITIES AND STOCKHOLDERS' EQUITY

	As of June 30, 2013	As of June 30, 2012
CURRENT LIABILITIES		
Accounts Payable	\$ 209,252	\$ 62,000
Deferred Revenue	267,516	81,412
Other Liabilities	969	4,958
Payroll Liabilities	-	12,079
	<hr/>	
TOTAL CURRENT LIABILITIES	477,737	160,449
STOCKHOLDERS' EQUITY		
Authorized and issued capital		
Common Stock: 5,000 Authorized		
150 shares issued and outstanding	150,000	150,000
Retained Earnings	(97,774)	(79,453)
	<hr/>	
TOTAL STOCKHOLDERS' EQUITY	52,226	70,547
	<hr/>	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 529,963	\$ 230,996

HCL TOUCH, INC.
STATEMENT OF INCOME
FOR THE YEAR ENDED JUNE 30, 2013



	July 1, 2012 to June 30, 2013	August 29, 2011 to June 30, 2012
REVENUE		
Service Revenue	\$ 509,292	\$ 78,379
 TOTAL REVENUE	 509,292	 78,379
COST OF GOODS SOLD		
Cost of Sales (Schedule A)	351,844	62,000
 TOTAL COST OF SALES	 351,844	 62,000
 GROSS PROFIT	 157,448	 16,379
OPERATING EXPENSES		
Operating, General & Administrative Expenses (Schedule B)	238,832	97,493
 TOTAL OPERATING EXPENSES	 238,832	 97,493
OTHER INCOME (EXPENSE)		
Interest Income	13	0
 Total Other Income	 13	 0
 NET INCOME (LOSS) BEFORE TAXES	 (81,372)	 (81,115)
Deferred Tax Expense (Benefit)		
 INCOME TAX EXPENSE (Schedule C)	 (63,050)	 (1,662)
 NET INCOME (LOSS)	 \$ (18,321)	 \$ (79,453)

HCL TOUCH, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED JUNE 30, 2013



	<u>Common Stock</u>		<u>Retained Earnings</u>	<u>Total Stockholders' Equity</u>
	<u># of Shares</u>	<u>Amount</u>		
JUNE 30, 2012	150	\$ 150,000	\$ (79,453)	\$ 70,547
Net Income	-	-	(18,321)	(18,321)
BALANCE, JUNE 30, 2013	<u>150</u>	<u>\$ 150,000</u>	<u>\$ (97,774)</u>	<u>\$ 52,226</u>

	<u>Common Stock</u>		<u>Retained Earnings</u>	<u>Total Stockholders' Equity</u>
	<u># of Shares</u>	<u>Amount</u>		
AUGUST 29, 2011	150	\$ 150,000		\$ 150,000
Net Income	-	-	(79,453)	(79,453)
BALANCE, JUNE 30, 2012	<u>150</u>	<u>\$ 150,000</u>	<u>\$ (79,453)</u>	<u>\$ 70,547</u>

HCL TOUCH, INC.
STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2013



	July 1, 2012 to June 30, 2013	August 29, 2011 to June 30, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	(18,321)	(79,453)
(Increase) decrease in operating Assets:		
Accounts Receivable	1,920	(2,940)
Deposits	-	(2,614)
Deferred Tax Asset	(63,050)	(1,662)
Other Receivables	(138)	
Prepaid Expenses	(3,359)	(1,611)
Undeposited Funds	5,440	(5,440)
Increase (decrease) in operating Liabilities:		
Accounts Payable	(63,900)	62,000
Deferred Revenue	186,104	81,412
Expense Reimbursements	207,600	1,652
Other Accrued Liabilities	(438)	3,307
Provision for Payroll	(7,925)	7,925
Vacation Accrual	(4,154)	4,154
Total Cash Provided by (Used by) Operating Activities	<u>239,778</u>	<u>66,730</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital Contribution	<u>-</u>	<u>150,000</u>
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>150,000</u>
NET INCREASE(DECREASE) IN CASH	239,778	216,730
CASH, beginning of year	<u>216,730</u>	<u>-</u>
CASH, end of year	<u>\$ 456,508</u>	<u>\$ 216,730</u>

NOTE 1 - DESCRIPTION OF OPERATION

HCL Touch, Inc. (the “Company”) was incorporated in the state of Delaware in August 2011. The Company provides world class remote technical services in computing. This service is available 24 hours a day and 365 days a year, by highly trained and qualified technicians to support companies to focus and deliver in the core area of their business in US and Canada.

The Company blends process expertise, information technology and analytical capabilities in diverse industries to provide a broad range of services using its global delivery platform. Services offered by the Company are exhaustive and can be tailored according to the needs of the partners & clients. The Company’s key deliverables are tracking services, fortressing, operating systems support, software support, touch tracking, peripherals, and configuration.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company uses the accrual method of accounting both for financial statements and income tax reporting purposes.

Use of Estimates

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates. Estimates are used in accounting for, among other things, allowances for uncollectible receivables, depreciation and taxes.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash in checking account. The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The Company has no investments as of June 30, 2013.

Accounts Receivable

Accounts Receivable balance was \$1,020 as of June 30th 2013 and \$2,940 as of June 30th 2012. The Company uses the Percentage of Accounts Receivable method for calculating

HCL TOUCH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013



an allowance for doubtful accounts. As of June 30, 2013 and 2012, the company made no provision for doubtful accounts.

Property and Equipment

Small tools and equipment purchased under \$1,000 are expensed as incurred. Maintenance and repairs are also expensed as incurred. No fixed assets were purchased during the period ended June 30, 2013 and 2012.

Other Assets

Other assets consist mainly of Office Security Deposit and Prepaid expenses.

Revenue Recognition

Revenues are recognized on the accrual basis as services are rendered. Revenue includes income from immediate repair services provided remotely which is recognized immediately upon the delivery of the services and acceptance of the terms and conditions by the customer.

Deferred revenue is recorded when invoices are raised upon underlying maintenance agreement. Such service revenues are recognized on a straight-line basis over the term of the contract, which is generally 12 to 36 months.

Income Taxes

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", which requires an assets and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statements and tax basis of assets and liabilities that results in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income.

NOTE 3 – CONCENTRATION OF RISK

The Company performs ongoing credit evaluation of its customers and the company generally does not require collateral to secure its accounts receivable. It estimates the credit losses based on the management's evaluation and the current industry trends. Although the company expects to collect amounts due, actual collections may differ from the estimated amounts. The Company's customers are primarily individuals. As of June 30, 2013 and 2012, no customer accounted for more than 10% of the net revenues.



NOTE 4 - RELATED PARTY TRANSACTION

The company purchases services from its parent company, HCL Infosystems Ltd, India. The Company had taken services in the amount of \$351,844 as of June 30th 2013 and \$62,000 as of June 30th 2012 from the parent company.

NOTE 5 - ACCOUNTS PAYABLE

The Company has accounts payable in the amount of \$209,252 as of June 30th 2012 and \$62,000 as of June 30th 2012.

NOTE 6 – INCOME TAXES

The Company accounts for income taxes under the provisions of FASB ASC 740, “Accounting for Income Taxes”. Under ASC 740, deferred taxes are required to be classified based on the financial statement classification of the related assets and liabilities which give rise to temporary differences. Deferred taxes result from temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities.

All of the income before tax as shown in the statement of income for the period ended June 30, 2013 and 2012 is derived in the United States.

The components of income tax expense (benefit) relating to earnings from operations are as follows:

	<u>6/30/2013</u>	<u>6/30/2012</u>
Current Tax	NIL	NIL
Deferred Tax Benefit	(\$63,050)	(\$1,622)
Total	<u>(\$63,050)</u>	<u>(\$1,622)</u>

The components of deferred tax asset are as follows:

	<u>6/30/2013</u>	<u>6/30/2012</u>
Deferred tax asset – Current		
Vacation Accrual		\$1,622
NOL	\$64,712	
Total deferred tax asset	<u>\$64,712</u>	<u>\$1,622</u>

NOTE 7 – COMMON STOCK

The Company was incorporated on August 29, 2011 with an authorized capital of 5,000 shares of its common. The Company had 150, issued and outstanding shares as on June 30th, 2013 and June 30th 2012.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

There are no pending legal actions, including arbitrations, class actions and other litigation, arising in connection with the Company's activities as IT consultants. Legal reserves are established in accordance with FASB ASC 450 (formerly known as SFAS No. 5), "Accounting for Contingencies". Once established, reserves are adjusted when there is more information available or when an event occurs requiring a change. There are no legal reserves in the statement of financial condition as of June 30th, 2013 and June 30th 2012.

Office Space

The Company had entered into a new lease agreement as on February 11th, 2013 with Regus. The date of commencement of lease was April 1st, 2013 and will expire on March 31st, 2014.

The future minimum lease payments under this operating lease are as follows:

<u>Year</u>	<u>Amount</u>
2013	\$2,094
2014	\$1,047

NOTE 9 – SUBSEQUENT EVENT

Subsequent events have been evaluated through October 25, 2013, which is the date the financial statements were available to be issued.

HCL TOUCH, INC.
SCHEDULE A
COST OF GOODS SOLD
FOR THE YEAR ENDED JUNE 30, 2013



	July 1, 2012 to June 30, 2013	August 29, 2011 to June 30, 2012
Consumption Services	351,844	62,000
TOTAL COST OF GOODS SOLD	\$ 351,844	\$ 62,000

HCL TOUCH, INC.
SCHEDULE B
OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013



	July 1, 2012 to June 30, 2013	August 29, 2011 to June 30, 2012
Advertisement	15,817	250
Auto Expense	-	274
Bank Service Charges	1,223	1,055
Computer & Internet Expenses	-	591
Credit Card Charges	23,681	6,713
Commission	-	(95)
Dues & Subscription	720	4,309
Interest Exps	95	
Legal & Professional Expenses	40,988	15,501
Meals & Entertainment	-	28
Miscellaneous	2,600	
Other Expenses	-	21
Payroll Processing Fee	525	652
Postage	57	
Printing & Stationary	-	600
Rent	13,626	8,826
Recruitment	26,600	
Payroll Expenses	93,276	49,839
Taxes - Payroll	8,568	3,949
Taxes - License	1,000	
Travel Expenses	3,403	825
Vacation	6,654	4,154
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	\$ 238,832	\$ 97,493

HCL TOUCH, INC.
SCHEDULE C
INCOME TAX EXPENSE
FOR THE YEAR ENDED JUNE 30, 2013



	July 1, 2012 to June 30, 2013	August 29, 2011 to June 30, 2012
Deferred Tax Benefit - Federal	\$ (53,822)	(1,418.73)
Deferred Tax Benefit - State	(9,229)	(243)
TOTAL INCOME TAX EXPENSE	\$ (63,050)	\$ (1,662)
