

KOEL AMERICAS CORPORATION

FINANCIAL STATEMENTS

MARCH 31, 2019, and 2018

KOEL AMERICAS CORPORATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2019, and 2018

TABLE OF CONTENTS

	<u>PAGE</u>
Independent accountants' compilation report	1
Financial statements	
Balance sheet.....	2
Statement of income/(loss)	3
Statement of retained earnings	4
Statement of cash flows	5
Notes to financial statements	6
Supplementary information	9

Kaminski & Company, P.C.

Accountants and Consultants

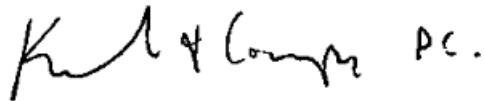
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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To Management
KOEL Americas Corporation
Houston, Texas

Management is responsible for the accompanying financial statements of KOEL Americas Corporation (a corporation), which comprise the balance sheets as of March 31, 2019, and 2018, and the related statements of income and retained earnings and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures that verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information contained in Schedules I and II are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was not subject to our compilation engagement. We do not express an opinion, a conclusion, nor provide any assurance on such information.

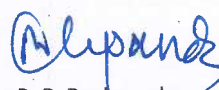


Kaminski & Company, P.C.
Houston, Texas
April 15, 2019

KOEL AMERICAS CORPORATION
(a Corporation)
BALANCE SHEET
AS OF MARCH 31, 2019, and 2018

ASSETS		March 31, 2019	March 31, 2018
CURRENT ASSETS			
Cash (Note 2)	\$	90,837	560,528
Accounts receivable (Note 4)		868,558	1,529,647
Less allowance for doubtful accounts (Note 4)		(829)	-
Prepaid expenses		1,205	5,918
Inventory (Note 4)		142,941	14,973
Prepaid inventory (Note 4)		130,277	-
Advance commissions		-	5,413
Receivable - koel india		21,267	13,895
Prepaid federal income tax (Note 5)		21,635	-
Total current assets	\$	<u>1,275,891</u>	<u>2,130,374</u>
FIXED ASSETS (Note 4)			
Vehicles	\$	28,482	28,482
Office furniture		162	162
Office equipment		3,126	3,126
Less accumulated depreciation and amortization		(20,461)	(14,056)
Total fixed assets	\$	<u>11,309</u>	<u>17,714</u>
NONCURRENT ASSETS			
Security deposits	\$	3,150	1,350
TOTAL ASSETS	\$	<u>1,290,350</u>	<u>2,149,438</u>
LIABILITIES AND STOCKHOLDER'S EQUITY			
CURRENT LIABILITIES			
Accounts payable - trade	\$	757,583	1,637,981
Federal income tax payable - current (Note 5)		-	29,744
Other payables		35,991	33,986
Advances received from customers		-	16,031
Total current liabilities	\$	<u>793,574</u>	<u>1,717,742</u>
NONCURRENT LIABILITIES			
Federal income tax - deferred (Note 5)	\$	778	1,697
TOTAL LIABILITIES	\$	<u>794,352</u>	<u>1,719,439</u>
STOCKHOLDER'S EQUITY			
Common stock (\$ 0.001 par value 50 shares issued, 1000 shares authorized)	\$	1	1
Additional paid-in capital		249,999	249,999
Retained earnings		245,998	179,999
Total stockholder's equity	\$	<u>495,998</u>	<u>429,999</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$	<u>1,290,350</u>	<u>2,149,438</u>

For and on behalf of KOEL Americas Corporation




R. R. Deshpande
Director
17 April 2019

See Accompanying Notes and Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION
(a Corporation)
STATEMENT OF INCOME/(LOSS)
FOR THE YEARS ENDED MARCH 31, 2019, and 2018

	March 31, 2019	March 31, 2018
SALES REVENUE	\$ 2,040,857	3,653,937
COST OF GOODS SOLD (Note 6)	\$ 1,448,761	3,076,071
GROSS PROFIT	\$ 592,096	577,866
MARKETING REVENUE (Note 6)	\$ 127,059	76,205
GROSS PROFIT FROM OPERATIONS	\$ 719,155	654,071
GENERAL AND ADMINISTRATIVE EXPENSES:		
Agency commissions	\$ 72,743	113,772
Bank charges	1,458	966
Depreciation and amortization	6,405	6,518
Insurance expense	6,426	11,838
Meals and entertainment	9,370	1,551
Office expense	6,745	7,252
Taxes	9,000	11,914
Communication expense	4,943	2,962
Professional fees (Note 6)	158,027	149,418
Logistics expense	25,330	16,420
Rent expense	16,463	12,891
Advertising & sales promotions	122,355	49,236
Salary	105,613	62,285
Employee welfare expense	37,857	26,385
Travel expense	42,194	28,525
Warranty expense	5,225	-
Miscellaneous expense	162	-
Irrevocable balance written off	8,446	-
Provision for doubtful debts (Note 4)	829	-
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES:	\$ 639,591	501,933
INCOME FROM OPERATIONS	\$ 79,564	152,138
OTHER INCOME/EXPENSES		
Gain (loss) on disposal of assets	\$ -	(820)
Warranty reimbursement	5,225	-
NET INCOME BEFORE PROVISION FOR INCOME TAXES	\$ 84,789	151,318
Federal income tax - current	\$ 19,709	41,272
Federal income tax - deferred	(919)	(2,175)
State franchise tax - current	-	-
Total provision for income tax	\$ 18,790	39,097
NET INCOME	\$ 65,999	112,221

For and on Behalf of KOEL Americas Corp

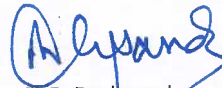

R. R. Deshpande
Director

See Accompanying Notes and Independent Accountants' Compilation Report 17 April 2019

KOEL AMERICAS CORPORATION
(a Corporation)
STATEMENT OF RETAINED EARNINGS
FOR THE YEARS ENDED MARCH 31, 2019, and 2018

	March 31, 2019	March 31, 2018
BEGINNING BALANCE - APRIL 1	\$ 179,999	67,778
CURRENT YEAR DIVIDENDS	-	-
NET INCOME/(LOSS) FOR THE YEAR	65,999	112,221
ENDING BALANCE - MARCH 31	<u>\$ 245,998</u>	<u>179,999</u>

For and on behalf of KOEL Americas Corp



R. R. Deshpande
Director
17 April 2019

See Accompanying Notes and Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION
(a Corporation)
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2019, and 2018

	March 31, 2019	March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(loss)	\$ 65,999	112,221
Adjustment to reconcile net income to net cash:		
Provided by operating activities:		
Depreciation and amortization	6,405	6,518
(Increase) decrease in:		
Accounts receivable	661,090	(1,246,712)
Other receivables	(1,959)	32,272
Prepaid expenses	4,713	(1,991)
Inventory	(127,968)	(14,973)
Prepaid inventory	(130,277)	-
Security deposits	(1,800)	(700)
Prepaid federal income tax	(21,635)	-
Increase (decrease) in:		
Accounts payable	(880,398)	1,498,528
Other payables	2,004	(2,327)
Income tax payable	(30,663)	15,949
Advances received from customers	(16,031)	(42,504)
Allowance for doubtful accounts	829	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (469,691)	356,281
CASH FLOW FROM INVESTING ACTIVITIES		
Gain (loss) on disposal of assets	\$ -	820
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ -	820
CASH FLOW FROM FINANCING ACTIVITIES		
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	\$ -	-
NET INCREASE/(DECREASE) IN CASH	\$ (469,691)	357,101
CASH BEGINNING OF YEAR	\$ 560,528	203,427
CASH END OF YEAR	\$ 90,837	560,528
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Federal income tax paid	\$ 41,344	11,600

For and on behalf of KOEL Americas Corp



R. R. Deshpande
Director
17 April 2019

See Accompanying Notes and Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION
(a Corporation)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019, and 2018

NOTE 1 – HISTORY AND NATURE OF BUSINESS OF THE COMPANY

KOEL Americas Corporation was incorporated under the State of Delaware on March 18, 2015. It is a 100% subsidiary of Kirloskar Oil Engines Limited, India, effective since June 23, 2015. The Company focuses on sales of diesel engines, diesel pump sets and generators in the North and Latin American regions through a distributor network. The Company's business is affected by general economic fluctuations. The Company commenced business in June 2015.

NOTE 2 – CASH BALANCES

The Company considers all cash deposits at financial institutions to be cash equivalents. On March 31, 2019, the Company had a checking account valued at \$90,837, all of which was within the FDIC insurance limits of \$250,000. On March 31, 2018, the Company had a checking account valued at \$560,528, of which \$310,528 exceeded the FDIC insurance limits of \$250,000.

NOTE 3 – SUBSEQUENT EVENTS

Subsequent events were evaluated through April 15, 2019. There were determined to be no reportable subsequent events.

NOTE 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The financial statements of KOEL Americas Corporation. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment:

Property and equipment are recorded at cost. For financial reporting purposes, the costs of property and equipment are depreciated over the estimated useful lives as follows:

<u>Category</u>	<u>Method</u>	<u>Estimated Life Years</u>
Vehicles	Straight-Line	5
Office equipment & furniture	Straight-Line	3 to 10

KOEL AMERICAS CORPORATION
(a Corporation)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019, and 2018

Repairs and maintenance are charged to expense as incurred. Expenditures, which substantially increase the useful lives of the respective assets, are capitalized and depreciated over their useful lives. When an asset is sold, or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Receivables:

The Company considers accounts receivable to be fully collectible except for specific instances; accordingly, an allowance for doubtful accounts is established for the estimate of accounts that may ultimately not be collected. The Company considers receivables 180 days past due to be potentially uncollectible.

Income Taxes:

The Company is taxed as a C-corporation for federal income tax purposes. Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily for the difference between the tax basis and the book basis of assets and expenses not currently includable in income, or deductible, for income tax purposes. The deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Management has evaluated significant tax positions against the criteria established by professional standards and believes there are no such tax positions requiring accounting recognition in the financial statements. Management does not believe its evaluation of tax positions will change within twelve months of March 31, 2019, or 2018. Any changes in tax positions will be recorded when the ultimate outcome becomes known. The Company's tax returns are subject to examination by the taxing authorities for a period of three years after filing the return.

Inventory:

The Company holds inventory consisting of diesel engines and generator sets for stock and sale. The inventory is valued at cost or net realizable value, whichever is lower, for financial statement purposes.

NOTE 5 – INCOME TAXES

Income tax expense consists of the following:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Current tax expense	\$ 19,709	\$ 41,272
Deferred tax expense	\$ (919)	\$ (2,175)
State franchise expense	\$ -	\$ -
Income tax expense	\$ <u>18,790</u>	\$ <u>39,097</u>

See Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION
(a Corporation)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019, and 2018

The difference in the Company's actual tax rate in the accompanying financial statements and the federal tax rate primarily results from the effect of temporary differences between the book and tax basis of property and equipment and certain expenses that are permanently non-deductible for income taxes. The corporate federal income tax rate decreased to 21%, effective January 1, 2018. The deferred tax accounts have been adjusted to reflect this difference. Deferred tax assets and liabilities consists of the following components as of March 31, 2019:

	Deferred (Liability)/Asset	Deferred Tax (Liability)/Asset (at applicable tax rate)
Book-tax differences in property basis – noncurrent	\$ (3,705)	\$ (778)

NOTE 6 – RELATED PARTY TRANSACTIONS

Following are details of transactions during the years ended March 31, 2019, and 2018 with related parties:

Name of the Party	Relationship	Type of Transaction	FY 2019 Amount (\$)	FY 2018 Amount (\$)
Kirloskar Oil Engines Limited, India	Parent Company	Purchase of Goods	1,707,006	3,076,988
Kirloskar Oil Engines Limited, India	Parent Company	Marketing Revenue	127,059	76,205
Engineman Consultants LLC	Entity in which director is interested	Professional Fees	56,868	58,047

KOEL AMERICAS CORPORATION

**SUPPLEMENTARY INFORMATION
SCHEDULES I & II**

FINANCIALS AS GENERALLY REPORTED IN INDIA

2018-2019

KOEL AMERICAS CORPORATION
Balance Sheet as at 31 March 2019

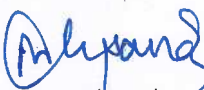
SCHEDULE I
SEE ACCOUNTANT'S REPORT

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
In \$			
ASSETS			
I. Non-current assets		14,459.42	19,064.45
(a) Property, plant and equipment	1	11,309.42	17,714.45
(b) Capital work-in-progress		-	-
(c) Investment property		-	-
(d) Other intangible assets		-	-
(e) Intangible assets under development		-	-
(f) Financial assets		-	-
(i) Other financial assets	2	3,150.00	1,350.00
(g) Other non-current assets		-	-
II. Current assets		1,275,891.44	2,130,373.53
(a) Inventories	3	273,217.86	14,973.00
(b) Financial assets			
(i) Trade receivables	4	888,996.77	1,543,541.46
(ii) Cash and cash equivalents	5	90,836.81	560,527.95
(c) Current tax assets (net)	6	21,635.00	-
(d) Other current assets	7	1,205.00	11,331.12
Total Assets		1,290,350.86	2,149,437.98
EQUITY AND LIABILITIES			
Equity		495,997.86	429,999.15
(a) Equity share capital	8	250,000.00	250,000.00
(b) Other equity			
Retained earnings	9	245,997.86	179,999.15
Reserves representing unrealized gains/ losses	9	-	-
LIABILITIES			
I. Non-current liabilities		778.00	1,697.00
(a) Financial liabilities		-	-
(b) Long-term provisions		-	-
(c) Deferred tax liabilities (net)	10	778.00	1,697.00
(d) Government grants		-	-
(e) Other non-current liabilities		-	-
II. Current liabilities		793,575.00	1,717,741.83
(a) Financial liabilities			
(i) Trade payables	11	-	-
(A) Total outstanding dues of micro and small enterprises		-	-
(B) Total outstanding dues of creditors other than micro and small enterprises		790,592.02	1,670,252.85
(ii) Other financial liabilities	12	-	-
(b) Other current liabilities	13	2,982.98	17,744.98
(c) Short-term provisions		-	-
(d) Government grants		-	-
(e) Current tax liabilities (net)	14	-	29,744.00
Total Equity and Liabilities		1,290,350.86	2,149,437.98

As per our report of even date

For and on behalf of the board of directors.

For and on behalf of KOEL Americas Corp


R. R. Deshpande
Director
17 April 2019

KOEL AMERICAS CORPORATION
Statement of profit and loss for the Period ended 31 March 2019
SCHEDULE I
SEE ACCOUNTANT'S REPORT

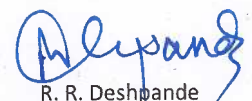
In \$

Particulars	Notes	Period ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	15	2,167,916.57	3,730,142.10
Other income		-	-
Total Revenue (I)		2,167,916.57	3,730,142.10
Expenses			
Cost of raw materials and components consumed		-	-
Purchase of traded goods	16	1,707,006.29	3,091,044.12
Changes in inventories of finished goods, work-in-progress and traded goods		-258,244.86	-14,973.00
Employee benefits expense	17	152,470.39	99,824.18
Finance costs	18	1,458.40	965.46
Depreciation and amortisation expense	19	6,405.03	6,518.07
Other Expenses	20	474,032.61	395,443.44
Total expenses (II)		2,083,127.86	3,578,823.27
Profit before exceptional items and tax		84,788.71	151,318.83
Exceptional items		-	-
Profit before tax		84,788.71	151,318.83
Tax expense		19,709.00	41,272.00
Current tax	21	19,709.00	41,272.00
(Excess)/short provision related to earlier years		-	-
Deferred tax	21	-919.00	-2,175.00
Profit for the year		65,998.71	112,221.83
Other comprehensive income			
A. Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences in translating the financial statements of a foreign operation	9	-	-
Income tax effect		-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (A)		-	-
B. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans		-	-
Income tax effect on above		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (B)		-	-
Total other comprehensive income for the year, net of tax [A+B]		-	-
Total comprehensive income for the year, net of tax:		65,998.71	112,221.83
Profit for the year attributable to:			
Owners of the Company		65,998.71	112,221.83
Non-controlling interest		-	-
Total comprehensive income attributable to:			
Owners of the Company		65,998.71	112,221.83
Non-controlling interest		-	-
Earnings per equity share [nominal value per share \$ 0.001 each (31 March 2018 \$ 0.001 each)]			
Basic		1,319.97	2,244.44
Diluted		1,319.97	2,244.44

As per our report of even date

For and on behalf of the board of directors.

For and on behalf of KOEL Americas Corp



 R. R. Deshpande
 Director
 17 April 2019

KOEL AMERICAS CORPORATION
Statement of Cash Flows for the year ended 31 March 2019

SCHEDULE I
SEE ACCOUNTANT'S REPORT

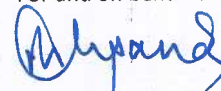
In \$

Particulars	As at 31 March 2019	As at 31 March 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	84,788.71	151,318.83
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation expenses	6,405.03	6,518.07
Bad debts and irrecoverable balances written off, net	8,446.00	-
Provision for doubtful debts	-	-
Inventories written down	14,354.00	-
Unrealised gains/ losses on translation of foreign operation	-	-
Finance costs	1,458.40	966.46
<i>Working Capital Adjustments:</i>		
(Increase) / Decrease in trade receivables	646,098.69	(1,209,027.09)
(Increase) / Decrease in Inventories	(272,598.86)	(14,973.00)
(Increase) / Decrease in financial assets	(1,800.00)	(700.00)
(Increase) / Decrease in current assets	10,126.12	(7,404.73)
Increase / (Decrease) in other liabilities	(14,762.00)	(42,677.72)
Increase / (Decrease) in financial liabilities	(879,660.83)	1,496,374.58
Net Cash generated from operations	(397,144.74)	380,395.40
Income taxes paid	(71,088.00)	(23,148.00)
NET CASH FLOW FROM OPERATING ACTIVITIES	(468,232.74)	357,247.40
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	-	-
Loss on disposal of assets & Others	-	820.08
NET CASH GENERATED FROM INVESTING ACTIVITIES	-	820.08
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid (finance cost)	(1,458.40)	(966.46)
Share subscription	-	-
NET CASH USED IN FINANCING ACTIVITY	(1,458.40)	(966.46)
Net increase / (decrease) in cash and cash equivalents	(469,691.14)	357,101.02
Opening Cash and Cash equivalents	560,527.95	203,426.93
Closing Cash and Cash equivalents	90,836.81	560,527.95

As per our attached report of even date.

For and on behalf of the Board of Directors.

For and on behalf of KOEL Americas Corp



R. R. Deshpande
Director
17 April 2019

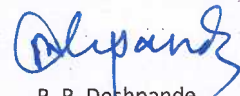
KOEL AMERICAS CORPORATION
Statement of Retained Earnings for the year ended 31 March 2019
SCHEDULE I
SEE ACCOUNTANT'S REPORT
In \$

Particulars	In \$	
	As at 31 March 2019	As at 31 March 2018
Balance at beginning of the year	179,999.15	67,777.32
Current year distributions	-	-
Net income/(Loss) for the year	65,998.71	112,221.83
Balance at end of the year	245,997.86	179,999.15

As per our attached report of even date.

For and on behalf of the Board of Directors.

For and on behalf of KOEL Americas Corp



R. R. Deshpande

Director

17 April 2019

Note 1 : Property, Plant and Equipment

				In \$	
	Fixed Assets	Furniture & Fixture	Vehicles	Office Equipment	Total
Cost					
As at 1 April 2017		1,112.75	28,482.15	3,126.42	32,721.32
Additions		-	-	-	-
Deductions		950.39	-	-	950.39
Exchange difference		-	-	-	-
As at 31 March 2018		162.36	28,482.15	3,126.42	31,770.93
Additions		-	-	-	-
Deductions		-	-	-	-
Exchange difference		-	-	-	-
As at 31 March 2019		162.36	28,482.15	3,126.42	31,770.93
Depreciation and Impairment					
Upto 1 April 2017		136.12	6,645.84	886.76	7,668.72
Depreciation for the year		32.08	5,696.43	789.56	6,518.07
Deductions		130.31	-	-	130.31
As at 31 March 2018		37.89	12,342.27	1,676.32	14,056.48
Depreciation for the year		16.24	5,696.43	692.36	6,405.03
Deductions					-
As at 31 March 2019		54.13	18,038.70	2,368.68	20,461.51
Net Block					
As at 31 March 2019		108.23	10,443.45	757.74	11,309.42
As at 31 March 2018		124.47	16,139.88	1,450.10	17,714.45

Note 2 : Other financial assets (Non current)

	In \$	
	As at 31 March 2019	As at 31 March 2018
Security deposits	3,150.00	1,350.00
Total	3,150.00	1,350.00

Note 3 : Inventories

	In \$	
	As at 31 March 2019	As at 31 March 2018
Traded goods	273,217.86	14,973.00
Total	273,217.86	14,973.00

Note 4 : Trade receivables

Particulars	In \$	
	As at 31 March 2019	As at 31 March 2018
Total Trade Receivables	888,996.77	1,543,541.46
Trade receivables	867,729.93	1,529,646.73
Receivables from other related parties	21,266.84	13,894.73
Break-up for security details:	888,996.77	1,543,541.46
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	888,996.77	1,543,541.46
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	828.53	-
Impairment	-828.53	-
	-	-
Total	888,996.77	1,543,541.46

Note 5 : Cash and cash equivalents

		in \$	
Particulars	As at 31 March 2019	As at 31 March 2018	
Balance with Bank			
Checking account with HSBC Bank	90,836.81	560,527.95	
Cash on hand	-	-	
Total	90,836.81	560,527.95	

Note 6 : Current tax assets (Net)

	In \$	
	As at 31 March 2019	As at 31 March 2018
Tax Paid in Advance (Net of Provision)	21,635.00	-
Total	21,635.00	-

Note 7 : Other current assets

in \$

Particulars	As at 31 March 2019	As at 31 March 2018
Prepaid Expenses	1,205.00	5,918.37
Advance commissions	-	5,412.75
Total	1,205.00	11,331.12

Note 8 : Share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	In \$	No. of shares	In \$
Authorised share capital				
1,000 Equity shares of \$ 0.001 each				
Issued and subscribed share capital				
50 Equity shares of \$ 0.001 each				
Subscribed and fully paid up				
Equity shares of \$ 0.001 each	50	250,000	50	250,000
Total	50	250,000	50	250,000

Note 9 : Other Equity

Particulars	In \$	
	As at 31 March 2019	As at 31 March 2018
Retained Earnings	245,997.86	179,999.15
Opening Balance	179,999.15	67,777.32
Add : Profit for the year	65,998.71	112,221.83
Add : Other Comprehensive income	-	-
Reserves representing unrealised gains/ losses	-	-
Opening Balance	-	-
Add/(Less) : Foreign currency translation reserve	-	-
Total	245,997.86	179,999.15
Other reserves		
Particulars	As at 31 March 2019	As at 31 March 2018
Foreign currency translation reserve	-	-
Surplus/(deficit) in the statement of profit and loss	245,997.86	179,999.15
Total other reserves	245,997.86	179,999.15

Note 10 : Deferred tax liability (net)

	In \$	
Particulars	As at 31 March 2019	As at 31 March 2018
Deferred Tax Liability		
Depreciation	778.00	1,697.00
Total	778	1,697

Note 11 : Trade payables

	In \$	
Particulars	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	790,592.02	1,670,252.85
Total	790,592.02	1,670,252.85

Note 12 : Other financial liabilities

	In \$	
Particulars	As at 31 March 2019	As at 31 March 2018
Financial liabilities at amortised cost		
Other financial liabilities		
Employee benefits payable	-	-
Total other financial liabilities	-	-
Current Financial liabilities at amortised cost		
Particulars	As at 31 March 2019	As at 31 March 2018
Trade Payables (Note 10)	790,592.02	1,670,252.85
Other financial liabilities (Note 11)	-	-
Total financial liabilities carried at amortise cost		

Note 13 : Other Current liabilities

	In \$	
Particulars	As at 31 March 2019	As at 31 March 2018
Advance from customers	-	16,030.69
Other payables	2,982.98	1,714.29
Statutory dues including provident fund and tax deducted at source	2,982.98	1,714.29
Total	2,982.98	17,744.98

Note 14 : Current tax liabilities

	In \$	
Particulars	As at 31 March 2019	As at 31 March 2018
Tax provision (Net of tax paid in advance)	-	29,744.00
Total	-	29,744.00

Note 15 : Revenue from operations

Particulars	In \$	
	2018-19	2017-18
Sale of products	2,040,857.47	3,653,936.98
Sale of Services	127,059.10	76,205.12
Total	2,167,916.57	3,730,142.10

Note 16 : Purchases of stock-in-trade

	in \$	
Particulars	2018-19	2017-18
Engines and Gensets	1,707,006.29	3,091,044.12
Total	1,707,006.29	3,091,044.12

Note 17 : Employee benefits expense

	in \$	
Particulars	2018-19	2017-18
Salaries, wages, bonus, commission, etc.	114,613.49	73,438.83
Welfare and training expenses	37,856.90	26,385.35
Total	152,470.39	99,824.18

Note 18 : Finance costs

in \$

Particulars	2018-19	2017-18
Other finance cost	1458.40	966.46
Total	1458.40	966.46

Note 19 : Depreciation and amortization expense

	in \$	
Particulars	2018-19	2017-18
Depreciation and amortization expense		
Depreciation on Tangible assets	6,405.03	6,518.07
Total	6,405.03	6,518.07

Note 20 : Other expenses

	in \$	
Particulars	2018-19	2017-18
Selling expenses	230,626.88	180,979.37
Commission	72,742.62	113,772.54
Freight and forwarding	25,330.40	16,419.75
Advertisement and publicity	122,355.31	49,236.48
Others selling expenses	9,370.02	1,550.60
Provision for Doubtful Debts	828.53	-
Administration expenses	243,405.73	214,464.07
Rent	16,462.92	12,890.56
Rates and taxes	-	759.54
Insurance	6,426.42	11,838.16
Travelling and conveyance	42,193.71	28,524.80
Communication expenses	4,943.03	6,422.57
Printing and stationery	1,771.64	416.88
Professional charges	158,026.23	149,875.27
Office expenses	4,973.51	2,864.21
Miscellaneous expenses	162.27	52.00
Loss on assets sold, demolished, discarded and scrapped	-	820.08
Irrecoverable balances written off	8,446.00	-
Total	474,032.61	395,443.44

Note 21 : Income tax

The major component of income tax expense are :

in \$

Particulars	2018-19	2017-18
Statement of Profit and Loss		
Current tax	19,709.00	41,272.00
Current income tax	19,709.00	41,272.00
Deferred tax	-919.00	-2,175.00
Relating to reversal or temporary difference	-919.00	-2,175.00
Income tax expense reported in the statement of profit and loss	18,790.00	39,097.00

Note 22 : History and Nature of Business of the Company

KOEL Americas Corporation was incorporated under State of Delaware on 18 March 2015. It is a 100% owned subsidiary of Kirloskar Oil Engines Limited, India, with effect from 23 June 2015. The Company focuses on the sales of diesel engines, diesel pump sets and generators in North and Latin American regions through a distributor network. The Company's business is affected by general economic fluctuations. The Company has commenced business since June 2015.

Note 23 : Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements have been prepared under the historical cost convention on the accrual basis and comply in all material respect with accounting principles generally accepted in the United States of America.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment:

Property and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the asset to its working condition for intended use.

Inventory:

Inventory consisting of diesel engines and generator sets are held for stock and sale. The inventory is valued at cost or net realizable value, whichever is lower, for financial statement purposes.

Note 24 : Revenue from Contracts with Customers (Application of IND AS 115 w.e.f April,2018)

The Company recognizes revenue, when or as control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectibility of collection is probable.

There is no financing component in the contract as the credit period does not exceed one year.

The Company does not have contract assets & liabilities. For Trade Receivable and its impairment Refer Note. 4 of Financial Statements.

Recently Adopted Accounting Standard - Transition to IND AS 115 Revenue from Contracts with Customers :

The Company has adopted IND AS 115 - Revenue from Contracts with Customers with a date of initial application of April 1, 2018

The Company applied IND AS 115 using the modified retrospective approach, which requires the Company to recognize the cumulative effect of initially applying IND AS 115 as an adjustment to the opening balance of equity as at April 1, 2018.

An assessment of the impact of IND AS 115 has been completed. Revenue recognition under IND AS 115 is in consistent with current practice for the company's revenue recognition.

After application of the principles of IND AS 115 in the current reporting period it would not have had an impact on the financial statements.

Note 25 : Provisions and Contingencies

Necessary provisions are made for the present obligations that arise out of past events entailing future outflow of economic resources. Such provisions reflect best estimates based on available information.

There are no contingent liabilities out of transactions for the fiscal year (Previous year NIL).

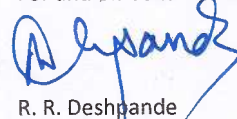
Note 26 : Foreign Exchange Derivatives

There are no Foreign Exchange Derivatives transaction for the fiscal year (Previous year NIL).

Note 27 : R&D Expenditure

Capital or revenue expenditure for research and development activities are NIL for the fiscal year (Previous year NIL).

For and on behalf of KOEL Americas Corporation



R. R. Deshpande
Director
17 April 2019