

KOEL AMERICAS CORPORATION

FINANCIAL STATEMENTS

March 31, 2018, and 2017

**KOEL AMERICAS CORPORATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2018, and 2017**

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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, 2018, and 2017, 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.

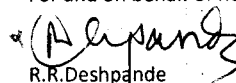
Kaminski & Company, P.C.

Kaminski & Company, P.C.
Houston, Texas
April 25, 2018

KOEL AMERICAS CORPORATION
(a Corporation)
BALANCE SHEET
AS OF MARCH 31, 2018, and 2017

	ASSETS	
	March 31, 2018	March 31, 2017
CURRENT ASSETS		
Cash (Note 2)	\$ 560,528	203,427
Accounts receivable (Note 4)	1,529,647	282,934
Prepaid expenses	5,918	3,927
Diesel engines	14,973	-
Advance commissions	5,413	-
Receivable - KOEL India	13,895	51,580
Total current assets	2,130,374	541,868
FIXED ASSETS (Note 4)		
Vehicles	\$ 28,482	28,482
Office furniture	162	1,113
Office equipment	3,126	3,126
Less accumulated depreciation and amortization	(14,056)	(7,668)
Total fixed assets	17,714	25,053
NON CURRENT ASSETS		
Security deposits	1,350	650
TOTAL ASSETS	\$ 2,149,438	567,571
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable - trade	\$ 1,637,981	139,453
Federal income tax payable - current (Note 5)	29,744	11,620
Other payables	33,986	36,313
Advances received from customers	16,031	58,535
Total current liabilities	1,717,742	245,921
NON CURRENT LIABILITIES		
Federal income tax - deferred (Note 5)	1,697	3,872
TOTAL LIABILITIES	1,719,439	249,793
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	179,999	67,778
Total stockholder's equity	429,999	317,778
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 2,149,438	567,571

For and on behalf of KOEL Americas Corporation


R.R. Deshpande
Director
27 April 2018

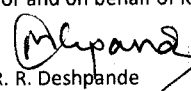
See Accompanying Notes and Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION
(a Corporation)
STATEMENT OF INCOME/(LOSS)
FOR THE YEARS ENDED MARCH 31, 2018, and 2017

	March 31, 2018	March 31, 2017
SALES REVENUE	\$ 3,653,937	1,547,049
COST OF GOODS SOLD (Note 6)	<u>3,076,071</u>	<u>1,057,535</u>
GROSS PROFIT	\$ 577,866	489,514
MARKETING REVENUE	76,205	51,580
COMMISSIONS REVENUE	-	-
GROSS PROFIT FROM OPERATIONS	<u>654,071</u>	<u>541,094</u>
GENERAL AND ADMINISTRATIVE EXPENSES:		
Agency commissions	\$ 113,772	27,081
Bank charges	966	1,150
Depreciation and amortization	6,518	6,597
Insurance expense	11,838	22,787
Meals and entertainment	1,551	3,035
Office expense	7,252	1,434
Taxes	11,914	16,311
Communication expense	2,962	5,079
Professional fees (Note 6)	149,418	195,977
Logistics expense	16,420	21,728
Rent expense	12,891	11,440
Advertising & sales promotions	49,236	41,148
Salary	62,285	67,275
Employee welfare expense	26,385	30,887
Travel expense	28,525	22,091
Irrevocable balance written off	-	2,475
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES:	<u>501,933</u>	<u>476,495</u>
INCOME FROM OPERATIONS	<u>152,138</u>	<u>64,599</u>
OTHER INCOME/EXPENSES		
Gain (loss) on disposal of assets	\$ (820)	-
NET INCOME BEFORE PROVISION FOR INCOME TAXES	<u>151,318</u>	<u>64,599</u>
Federal income tax - current	41,272	9,891
Federal income tax - deferred	(2,175)	3,872
State franchise tax - current	-	-
Total provision for income tax	<u>39,097</u>	<u>13,763</u>
NET INCOME	<u>\$ 112,221</u>	<u>50,836</u>

For and on behalf of KOEL Americas Corp

See Accompanying Notes and Independent Accountants' Compilation Report


R. R. Deshpande
Director
27 April 2018

KOEL AMERICAS CORPORATION
(a Corporation)
STATEMENT OF RETAINED EARNINGS
FOR THE YEARS ENDED MARCH 31, 2018, and 2017

	March 31, 2018	March 31, 2017
BEGINNING BALANCE - APRIL 1	\$ 67,778	16,942
CURRENT YEAR DIVIDENDS	-	-
NET INCOME/(LOSS) FOR THE YEAR	112,221	50,836
ENDING BALANCE - MARCH 31	<u>\$ 179,999</u>	<u>67,778</u>

For and on behalf of KOEL Americas Corp

R. R. Deshpande

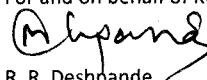
R. R. Deshpande
Director
27 April 2018

See Accompanying Notes and Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION
(a Corporation)
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2018, and 2017

	March 31, 2018	March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(Loss)	\$ 112,221	50,836
Adjustment to reconcile net income to net cash		
Provided by operating activities:		
Depreciation and amortization	6,518	6,597
Gain (loss) on disposal of assets	820	-
(Increase) decrease in:		
Accounts receivable	(1,246,712)	(220,674)
Other receivables	32,272	(51,580)
Prepaid expenses	(1,991)	(3,927)
Diesel engines	(14,973)	-
Security deposits	(700)	2,100
Increase (decrease) in:		
Accounts payable	1,498,528	(91,065)
Other payables	(2,327)	15,626
Income taxes payable	15,949	12,502
Advances received from customers	(42,504)	58,535
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>357,101</u>	<u>(221,050)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(1,082)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>(1,082)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of common stock	-	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH	357,101	(222,132)
CASH BEGINNING OF YEAR	203,427	425,559
CASH END OF YEAR	<u>\$ 560,528</u>	<u>203,427</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Federal income taxes paid	\$ 11,600	1,261

For and on behalf of KOEL Americas Corp


R. R. Deshpande
Director
27 April 2018

See Accompanying Notes and Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION
(a Corporation)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018, and 2017

NOTE 1 – HISTORY AND NATURE OF BUSINESS OF THE CORPORATION

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, 2018, the Company had a checking account valued at \$560,528, of which \$310,528 exceeded the FDIC insurance limits of \$250,000. On March 31, 2017, the Company had a checking account valued at \$203,427, all of which was within the FDIC insurance limits of \$250,000.

NOTE 3 – SUBSEQUENT EVENTS

Subsequent events were evaluated through April 25, 2018. 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	Straight-Line	3

See Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION
(a Corporation)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018, and 2017

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 Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Income Taxes:

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, 2018, or 2017. 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.

NOTE 5 – INCOME TAXES

Income tax expense consists of the following:

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Current tax expense	\$ 41,272	\$ 9,891
Deferred tax expense	\$ (2,175)	\$ 3,872
State franchise expense	\$ -	\$ -
Income tax expense	\$ <u>39,097</u>	\$ <u>13,763</u>

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. Deferred tax assets and liabilities consists of the following components as of March 31, 2018:

See Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION
(a Corporation)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018, and 2017

	Deferred (Liability)/Asset	Deferred Tax (Liability)/Asset (at applicable tax rate)
Book-tax differences in property basis – noncurrent	\$ (8,081)	\$ (1,697)

NOTE 6 – RELATED PARTY TRANSACTIONS

Following are details of transactions during the years ended March 31, 2018, and 2017 with related parties:

Name of the Party	Relationship	Type of Transaction	FY 2018 Amount (\$)	FY 2017 Amount (\$)
Kirloskar Oil Engines Limited, India	Parent Company	Purchase of goods	3,181,880	1,057,535
Engineman Consultants LLC	Entity in which director is interested	Professional Fees	58,047	51,641

See Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION

SUPPLEMENTARY INFORMATION

SCHEDULES I & II

FINANCIALS AS GENERALLY REPORTED IN INDIA

2017-2018

KOEL AMERICAS CORPORATION
Balance Sheet as at 31 March 2018

SCHEDULE I
SEE ACCOUNTANTS' REPORT

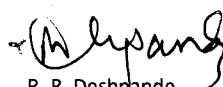
In \$

Particulars	Notes	As at 31 March 2018	As at 31 March 2017
ASSETS			
I. Non-current assets		19,064.45	25,702.60
(a) Property, plant and equipment	1	17,714.45	25,052.60
(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	1,350.00	650.00
(g) Other non-current assets		-	-
II. Current assets		2,130,373.53	541,867.69
(a) Inventories	3	14,973.00	-
(b) Financial assets		-	-
(i) Tradé receivables	4	1,543,541.46	334,514.37
(ii) Cash and cash equivalents	5	560,527.95	203,426.93
(c) Current tax assets (net)		-	-
(d) Other current assets	6	11,331.12	3,926.39
Total Assets		2,149,437.98	567,570.29
EQUITY AND LIABILITIES			
Equity		429,999.15	317,777.32
(a) Equity share capital	7	250,000.00	250,000.00
(b) Other equity		-	-
Retained earnings	8	179,999.15	67,777.32
Reserves representing unrealised gains/losses	8	-	-
LIABILITIES			
I. Non-current liabilities		1,697.00	3,872.00
(a) Financial liabilities		-	-
(b) Long-term provisions		-	-
(c) Deferred tax liabilities (net)	9	1,697.00	3,872.00
(d) Government grants		-	-
(e) Other non-current liabilities		-	-
II. Current liabilities		1,717,741.83	245,920.97
(a) Financial liabilities		-	-
(i) Trade payables	10	1,670,252.85	173,856.32
(ii) Other financial liabilities	11	-	21.95
(b) Other current liabilities	12	17,744.98	60,422.70
(c) Short-term provisions		-	-
(d) Government grants		-	-
(e) Current tax liabilities (net)	13	29,744.00	11,620.00
Total Equity and Liabilities		2,149,437.98	567,570.29

As per pur 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
 27 April 2018

KOEL AMERICAS CORPORATION
Statement of profit and loss for the Period ended 31 March 2018

SCHEDULE I
SEE ACCOUNTANTS' REPORT

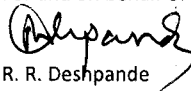
In \$

Particulars	Notes	Period ended 31 March 2018	Year ended 31 March 2017
Income			
Revenue from operations	14	3,730,142.10	1,598,628.61
Other income		-	-
Total Revenue (I)		3,730,142.10	1,598,628.61
Expenses			
Cost of raw materials and components consumed		-	-
Purchase of traded goods	15	3,091,044.12	1,057,534.71
Changes in inventories of finished goods, work-in-progress and traded goods		-14,973.00	-
Employee benefits expense	16	99,824.18	114,229.23
Finance costs	17	966.46	1,150.09
Depreciation and amortisation expense	18	6,518.07	6,597.27
Other Expenses	19	395,443.44	354,518.43
Total expenses (II)		3,578,823.27	1,534,029.73
Profit before exceptional items and tax		151,318.83	64,598.88
Exceptional Items		-	-
Profit before tax		151,318.83	64,598.88
Tax expense		41,272.00	9,891.00
Current tax	20	41,272.00	9,891.00
(Excess)/short provision related to earlier years		-	-
Deferred tax	20	-2,175.00	3,872.00
Profit for the year		112,221.83	50,835.88
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	8	-	-
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		112,221.83	50,835.88
Profit for the year attributable to:			
Owners of the Company		112,221.83	50,835.88
Non-controlling interest		-	-
		112,221.83	50,835.88
Total comprehensive income attributable to:			
Owners of the Company		112,221.83	50,835.88
Non-controlling interest		-	-
		112,221.83	50,835.88

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
27 April 2018

KOEL AMERICAS CORPORATION
Statement of Cash Flows for the year ended 31 March 2018

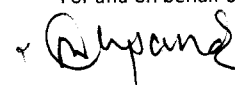
SCHEDULE I
SEE ACCOUNTANTS' REPORT

In \$

Particulars	As at 31 March 2018	As at 31 March 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	151,318.83	64,598.88
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation expenses	6,518.07	6,597.27
Bad debts and irrecoverable balances written off, net	-	2,475.11
Unrealised gains/ losses on translation of foreign operation	-	-
Loss on disposal of assets & Others	820.08	-
Finance costs	966.46	1,150.09
<i>Working Capital Adjustments:</i>		
(Increase) / Decrease in trade receivables	(1,209,027.09)	(274,729.64)
(Increase) / Decrease in Inventories	(14,973.00)	-
(Increase) / Decrease in financial assets	(700.00)	2,100.00
(Increase) / Decrease in current assets	(7,404.73)	(3,926.39)
Increase / (Decrease) in other liabilities	(42,677.72)	60,422.70
Increase / (Decrease) in financial liabilities	1,496,374.58	(77,326.57)
Net Cash generated from operations	381,215.48	(218,638.55)
Income taxes paid	(23,148.00)	(1,261.00)
NET CASH FLOW FROM OPERATING ACTIVITIES	358,067.48	(219,899.55)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	-	1,082.49
NET CASH GENERATED FROM INVESTING ACTIVITIES	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid (finance cost)	(966.46)	(1,150.09)
Share subscription	-	-
NET CASH USED IN FINANCING ACTIVITY	(966.46)	(1,150.09)
Net increase / (decrease) in cash and cash equivalents	357,101.02	(221,049.64)
Opening Cash and Cash equivalents	204,509.42	425,559.06
Closing Cash and Cash equivalents	561,610.44	204,509.42

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
27 April 2018

KOEL AMERICAS CORPORATION

Statement of Retained Earnings for the year ended 31 March 2018

SCHEDULE I

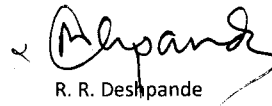
SEE ACCOUNTANTS' REPORT

In \$

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of the year	67,777.32	16,941.44
Current year dividends		-
Net Income/(Loss) for the year	112,221.83	50,835.88
Balance at end of the year	179,999.15	67,777.32

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
 27 April 2018

Note 1 : Property, Plant and Equipment

	In \$				
	Fixed Assets	Furniture & Fixture	Vehicles	Office Equipment	Total
Cost					
As at 1 April 2016		1,112.75	28,482.15	2,043.93	31,638.83
Additions		-	-	1,082.49	1,082.49
Deductions		-	-	-	-
Exchange difference		-	-	-	-
As at 31 March 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
Depreciation and Impairment					
Upto 1 April 2016		24.84	949.41	97.20	1,071.45
Depreciation for the year		111.28	5,696.43	789.56	6,597.27
Deductions		-	-	-	-
As at 31 March 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
Net Block					
As at 31 March 2018		124.47	16,139.88	1,450.10	17,714.45
As at 31 March 2017		976.63	21,836.31	2,239.66	25,052.60

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
SEE ACCOUNTANTS' REPORT

Note 2 : Other financial assets (Non current)

	As at 31 March 2018	As at 31 March 2017
Security deposits	1,350.00	650.00
Total	1,350.00	650.00

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
SEE ACCOUNTANTS' REPORT

Note 3 : Inventories

	As at 31 March 2018	As at 31 March 2017
Traded goods	14,973.00	-
Total	14,973.00	-

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
SEE ACCOUNTANTS' REPORT

Note 4 : Trade receivables

In \$

Particulars	As at 31 March 2018	As at 31 March 2017
Total Trade Receivables	1,543,541.46	334,514.37
Trade receivables	1,529,646.73	282,934.15
Receivables from other related parties	13,894.73	51,580.22
Break-up for security details:	1,543,541.46	334,514.37
Secured, considered good	-	-
Unsecured, considered good	1,543,541.46	334,514.37
Doubtful	-	-
Impairment Allowance (allowance for bad and doubtful debts)	-	-
Total	1,543,541.46	334,514.37

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
SEE ACCOUNTANTS' REPORT

Note 5 : Cash and cash equivalents

in \$

Particulars	As at 31 March 2018	As at 31 March 2017
Balance with Bank		
Checking account with HSBC Bank	560,527.95	203,426.93
Cash on hand		
Total	560,527.95	203,426.93

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
SEE ACCOUNTANTS' REPORT

Note 6 : Other current assets

	in \$	
Particulars	As at 31 March 2018	As at 31 March 2017
Prepaid Expenses	5,918.37	3,926.39
Advance commissions	5,412.75	-
Total	11,331.12	3,926.39

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
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Note 7 : Share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	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	250,000.00	50	250,000.00
Total	50	250,000.00	50	250,000.00

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
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Note 8 : Other Equity

In \$

Particulars	As at 31 March 2018	As at 31 March 2017
Retained Earnings	179,999.15	67,777.32
Opening Balance	67,777.32	16,941.44
Add : Profit for the year	112,221.83	50,835.88
Add : Other Comprehensive Income	-	-
Reserves representing unrealised gains/ losses	-	-
Opening Balance	-	-
Add/(Less) : Foreign currency translation reserve	-	-
Total	179,999.15	67,777.32

Other reserves

Particulars	As at 31 March 2018	As at 31 March 2017
Foreign currency translation reserve	-	-
Surplus/(deficit) in the statement of profit and loss	179,999.15	67,777.32
Total other reserves	179,999.15	67,777.32

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
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Note 9 : Deferred tax liability (net)

In \$

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred Tax Liability		
Depreciation	1,697.00	3,872.00
Total	1,697.00	3,872.00

Note 10 : Trade payables

	In \$	
Particulars	As at 31 March 2018	As at 31 March 2017
Due to micro and small enterprises	-	-
Due to other than micro and small enterprises	32,271.96	34,403.02
Due to related parties	1,637,980.89	139,453.30
Total	1,670,252.85	173,856.32

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
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Note 11 : Other financial liabilities

	In \$	
Particulars	As at 31 March 2018	As at 31 March 2017
Financial liabilities at amortised cost		
Other financial liabilities		
Employee benefits payable	-	21.95
Total other financial liabilities	-	21.95
Current Financial liabilities at amortised cost		
Particulars	As at 31 March 2018	As at 31 March 2017
Trade Payables (Note 10)	1,670,252.85	173,856.32
Other financial liabilities (Note 11)	-	21.95
Total financial liabilities carried at amortise cost		

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
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Note 12 : Other Current liabilities

	In \$	
Particulars	As at 31 March 2018	As at 31 March 2017
Advance from customers	16,030.69	58,534.67
Other payables	1,714.29	1,888.03
Statutory dues including provident fund and tax deducted at source	1,714.29	1,888.03
Total	17,744.98	60,422.70

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
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Note 13 : Current tax liabilities

Particulars	In \$	
	As at 31 March 2018	As at 31 March 2017
Tax provision (Net of tax paid in advance)	29,744.00	11,620.00
Total	29,744.00	11,620.00

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
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Note 14 : Revenue from operations

Particulars	In \$	
	2017-18	2016-17
Sale of products	3,653,936.98	1,547,048.39
Sale of Services	76,205.12	51,580.22
Total	3,730,142.10	1,598,628.61

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
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Note 15 : Purchases of stock-in-trade

	in \$	
Particulars	2017-18	2016-17
Engines and Gensets	3,091,044.12	1,057,534.71
Total	3,091,044.12	1,057,534.71

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
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Note 16 : Employee benefits expense

Particulars	in \$	
	2017-18	2016-17
Salaries, wages, bonus, commission, etc.	73,438.83	83,342.61
Welfare and training expenses	26,385.35	30,886.62
Total	99,824.18	114,229.23

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
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Note 17 : Finance costs

	in \$	
Particulars	2017-18	2016-17
Other finance cost	966.46	1,150.09
Total	966.46	1,150.09

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
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Note 18 : Depreciation and amortization expense

	in \$	
Particulars	2017-18	2016-17
Depreciation and amortization expense		
Depreciation on Tangible assets	6,518.07	6,597.27
Total	6,518.07	6,597.27

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
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Note 19 : Other expenses

Particulars	in \$	
	2017-18	2016-17
Selling expenses	180,979.37	92,992.23
Commission	113,772.54	27,080.81
Freight and forwarding	16,419.75	21,728.17
Advertisement and publicity	49,236.48	41,147.77
Others selling expenses	1,550.60	3,035.48
Administration expenses	214,464.07	261,526.20
Rent	12,890.56	11,440.00
Rates and taxes	759.54	597.51
Insurance	11,838.16	22,786.74
Travelling and conveyance	28,524.80	22,091.32
Communication expenses	6,422.57	5,082.33
Printing and stationery	416.88	466.92
Professional charges	149,875.27	196,450.27
Office expenses	2,864.21	-
Miscellaneous expenses	52.00	136.00
Loss on assets sold, demolished, discarded and scrapped	820.08	-
Irrecoverable balances written off	-	2,475.11
Total	395,443.44	354,518.43

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
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Note 20 : Income tax

The major component of income tax expense are :

Particulars	in \$	
	2017-18	2016-17
Statement of Profit and Loss		
Current tax	41,272.00	9,891.00
Current income tax	41,272.00	9,891.00
(Excess)/short provision related to earlier years	-	-
Deferred tax	(2,175.00)	3,872.00
Relating to reversal or temporary difference	(2,175.00)	3,872.00
Income tax expense reported in the statement of profit and loss	39,097.00	13,763.00

Note 21 : 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 22 : 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.

Note 23 : Revenue Recognition

- a) Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed on to the buyer, which generally coincides with their delivery to the buyer.

 - b) Income from services is recognised on completion of services as per the terms of specific contracts.
-

Note 24 : 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 25 : Foreign Exchange Derivatives

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

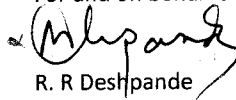
KOEL AMERICAS CORPORATION
Notes to the Financial Statements

SCHEDULE II
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Note 26 : 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
Directors

27 April 2018