

KOEL AMERICAS CORPORATION

FINANCIAL STATEMENTS

March 31, 2017, and 2016

**KOEL AMERICAS CORPORATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2017, and 2016**

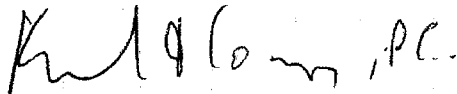
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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Shareholders
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, 2017, and 2016, and the related Statements of Income and Retained Earnings and Cash Flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with 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 to 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.



Kaminski & Company, P.C.

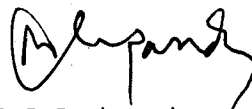
Houston, Texas

May 1, 2017

KOEL AMERICAS CORPORATION
(a Corporation)
BALANCE SHEET
AS OF MARCH 31, 2017, and 2016

ASSETS		
	March 31, 2017	March 31, 2016
CURRENT ASSETS		
Cash (Note 2)	\$ 203,427	425,559
Accounts receivable (Note 4)	282,934	62,260
Prepaid expenses	3,927	-
Receivable - KOEL India	51,580	-
Total current assets	541,868	487,819
FIXED ASSETS (Note 4)		
Vehicles	\$ 28,482	28,482
Office furniture	1,113	1,113
Office equipment	3,126	2,044
Less accumulated depreciation and amortization	(7,668)	(1,071)
Total fixed assets	25,053	30,568
NON CURRENT ASSETS		
Security deposits	650	2,750
TOTAL ASSETS	\$ 567,571	521,137
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable - trade	\$ 139,453	230,518
Federal income tax payable - current (Note 5)	11,620	2,990
Other payables	36,313	20,687
Advances received from customers	58,535	-
Total current liabilities	245,921	254,195
NON CURRENT LIABILITIES		
Federal income tax - deferred (Note 5)	3,872	-
TOTAL LIABILITIES	249,793	254,195
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	67,778	16,942
Total stockholder's equity	317,778	266,942
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 567,571	521,137

For and on behalf of KOEL Americas Corp

x 

R. R. Deshpande
Director

Date: 27 April 2017

See Accompanying Notes and Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION
(a Corporation)
STATEMENT OF INCOME/(LOSS)
FOR THE YEARS ENDED MARCH 31, 2017, and 2016

	March 31, 2017	March 31, 2016
SALES REVENUE	\$ 1,547,049	502,402
COST OF GOODS SOLD (Note 6)	<u>1,057,535</u>	<u>425,029</u>
GROSS PROFIT	\$ 489,514	77,373
MARKETING REVENUE	51,580	-
COMMISSIONS REVENUE	-	2,475
GROSS PROFIT FROM OPERATIONS	<u>541,094</u>	<u>79,848</u>
GENERAL AND ADMINISTRATIVE EXPENSES:		
Agency commissions	\$ 27,081	13,269
Bank charges	1,150	1,050
Depreciation and amortization	6,597	1,071
Insurance expense	22,787	407
Meals and entertainment	3,035	132
Office expense	1,434	146
Taxes	16,311	1,781
Communication expense	5,079	765
Professional fees (Note 6)	195,977	11,464
Logistics expense	21,728	-
Rent expense	11,440	14,800
Advertising & sales promotions	41,148	95
Salary	67,275	5,344
Employee welfare expense	30,887	8,954
Travel expense	22,091	638
Irrevocable balance written off	2,475	-
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES:	<u>476,495</u>	<u>59,916</u>
INCOME FROM OPERATIONS	<u>64,599</u>	<u>19,932</u>
NET INCOME BEFORE PROVISION FOR INCOME TAXES	<u>64,599</u>	<u>19,932</u>
Federal income tax - current	9,891	2,990
Federal income tax - deferred	3,872	-
State franchise tax - current	-	-
Total provision for income tax	<u>13,763</u>	<u>2,990</u>
NET INCOME	<u>\$ 50,836</u>	<u>16,942</u>

For and on behalf of KOEL Americas Corp


R. R. Deshpande
Director

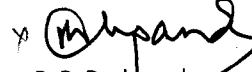
Date: 27 April 2017

See Accompanying Notes and Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION
(a Corporation)
STATEMENT OF RETAINED EARNINGS
FOR THE YEARS ENDED MARCH 31, 2017, and 2016

BALANCE AT BEGINNING OF YEAR - APRIL 1, 2015	\$ -
CURRENT YEAR DISTRIBUTIONS	-
NET INCOME/(LOSS) FOR THE YEAR	16,942
BALANCE AT END OF YEAR - MARCH 31, 2016	\$ <u>16,942</u>
BALANCE AT BEGINNING OF YEAR - APRIL 1, 2016	\$ 16,942
CURRENT YEAR DISTRIBUTIONS	-
NET INCOME/(LOSS) FOR THE YEAR	50,836
BALANCE AT END OF YEAR - MARCH 31, 2017	\$ <u>67,778</u>

For and on behalf of KOEL Americas Corp



R. R. Deshpande
Director

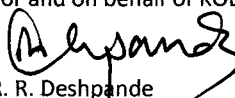
Date: 27 April 2017

See Accompanying Notes and Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION
(a Corporation)
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2017, and 2016

	March 31, 2017	March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(Loss)	\$ 50,836	16,942
Adjustment to reconcile net income to net cash		
Provided by operating activities:		
Depreciation and amortization	6,597	1,071
(Increase) decrease in:		
Accounts receivable and prepaid expenses	(220,674)	(62,260)
Other receivables	(51,580)	-
Prepaid expenses	(3,927)	-
Security deposits	2,100	(2,750)
Increase (decrease) in:		
Accounts payable	(91,065)	251,205
Other payables	15,626	-
Income taxes payable	12,502	2,990
Advances received from customers	58,535	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(221,050)	207,198
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,082)	(31,639)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(1,082)	(31,639)
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of common stock	-	250,000
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	-	250,000
NET INCREASE/(DECREASE) IN CASH	(222,132)	425,559
CASH BEGINNING OF YEAR	425,559	-
CASH END OF YEAR	\$ 203,427	425,559
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Federal income taxes paid	\$ 1,261	

For and on behalf of KOEL Americas Corp


R. R. Deshpande
Director
Date: 27 April 2017

See Accompanying Notes and Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION
(a Corporation)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017, and 2016

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 has commenced business since June 2015.

NOTE 2 – CASH BALANCES

The Company considers all cash deposits at financial institutions to be cash equivalents. On March 31, 2017, the Company had a checking account valued at \$203,426, all of which was within the FDIC insurance limits of \$250,000. On March 31, 2016, the Company had a checking account valued at \$425,559, of which \$175,559 exceeded the FDIC insurance limits of \$250,000.

NOTE 3 – SUBSEQUENT EVENTS

Subsequent events were evaluated through April 14, 2017. 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, 2017, and 2016

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, 2017, or 2016. 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, 2017</u>	<u>March 31, 2016</u>
Current tax expense	\$ 9,891	\$ 2,990
Deferred tax expense	\$ 3,872	\$ -
State franchise expense	<u>\$ -</u>	<u>\$ -</u>
Income tax expense	\$ <u>13,763</u>	\$ <u>2,990</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 consist of the following components as of March 31, 2017:

See Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION
(a Corporation)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017, and 2016

	Deferred (Liability)/Asset	Deferred Tax (Liability)/Asset (at applicable tax rate)
Book-tax differences in property basis – noncurrent	\$ (11,389)	\$ (3,872)

NOTE 6 – RELATED PARTY TRANSACTIONS

Following are details of transactions during the years ended March 31, 2017, and 2016 with related parties:

Name of the Party	Relationship	Type of Transaction	FY 2017 Amount (\$)	FY 2016 Amount (\$)
Kirloskar Oil Engines Limited, India	Parent Company	Purchase of goods	1,057,535	425,029
Enginemates Consultants LLC	Entity in which director is interested	Professional Fees	51,641	-

NOTE 7 – FINANCIAL STATEMENTS AS GENERALLY REPORTED IN INDIA

The following financial statements are formatted as generally reported in India. Notes that are referenced in these financial statements are specifically related to these statements and are not related to any of the preceding notes or financial statements.

KOEL AMERICAS CORPORATION
Balance Sheet as of March 31, 2017

Note 7

Particulars	Notes	As of Mar. 31, 2017	As of March 31, 2016
In \$			
ASSETS			
I. Non-current assets		25,702.60	33,317.38
(a) Property, plant and equipment	1	25,052.60	30,567.38
(b) Capital work-in-progress		-	-
(c) Investment property		-	-
(d) Other Intangible assets		-	-
(e) Intangible assets under development		-	-
(f) Financial assets			
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Other financial assets	2	650.00	2,750.00
(g) Deferred tax assets (net)		-	-
(h) Other non-current assets		-	-
II. Current assets		541,867.69	487,818.90
(a) Inventories		-	-
(b) Financial assets			
(i) Investments		-	-
(ii) Trade receivables	3	334,514.37	62,259.84
(iii) Cash and cash equivalents	4	203,426.93	425,559.06
(iv) Bank balance other than (iii) above		-	-
(v) Loans		-	-
(vi) Other financial assets		-	-
(c) Current tax assets (net)		-	-
(d) Other current assets	5	3,926.39	-
Total Assets		567,570.29	521,136.28

EQUITY AND LIABILITIES

Equity		317,777.32	266,941.44
(a) Equity share capital	6	250,000.00	250,000.00
(b) Other equity			
Capital redemption reserve	7	-	-
General reserve	7	-	-
Retained earnings	7	67,777.32	16,941.44
Reserves representing unrealised gains/ losses	7	-	-
LIABILITIES			
I. Non-current liabilities		3,872.00	-
(a) Financial liabilities			

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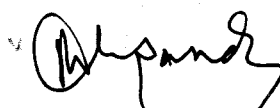
KOEL AMERICAS CORPORATION
Balance Sheet as of March 31, 2017

Note 7

Particulars	Notes	As of Mar. 31, 2017	As of March 31, 2016
(i) Borrowings		-	-
(ii) Trade payables		-	-
(iii) Other financial liabilities		-	-
(b) Long-term provisions		-	-
(c) Deferred tax liabilities (net)	8	3,872.00	-
(d) Government grants		-	-
(e) Other non-current liabilities		-	-
II. Current liabilities		245,920.97	254,194.84
(a) Financial liabilities			
(i) Borrowings		-	-
(ii) Trade payables	9	173,856.32	251,204.84
(iii) Other financial liabilities	10	21.95	-
(b) Other current liabilities	11	60,422.70	-
(c) Short-term provisions		-	-
(d) Government grants		-	-
(e) Current tax liabilities (net)	12	11,620.00	2,990.00
Total Equity and Liabilities		567,570.29	521,136.28

As per our report of even date

For and on behalf of the board of directors.



R.R. Deshpande
 Director

Date: 27 April 2017

See Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION

Note 7

Statement of profit and loss for the Period ended March 31, 2017

In \$

Particulars	Notes	Period ended Mar. 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations	13	1,598,628.61	504,876.92
Other income		-	-
Total Revenue (I)		1,598,628.61	504,876.92
Expenses			
Cost of raw materials and components consumed		-	-
Purchase of traded goods	14	1,057,534.71	425,029.32
Changes in inventories of finished goods, work-in-progress and Traded goods		-	-
Employee benefits expense	15	114,229.23	13,589.58
Finance costs	16	1,150.09	1,049.97
Depreciation and amortisation expense	17	6,597.27	1,071.45
Other Expenses	18	354,518.43	44,205.16
Total expenses (II)		1,534,029.73	484,945.48
Profit before exceptional items and tax		64,598.88	19,931.44
Exceptional items		-	-
Profit before tax		64,598.88	19,931.44
Tax expense		9,891.00	2,990.00
Current tax	19	9,891.00	2,990.00
(Excess)/short provision related to earlier years		-	-
Deferred tax	19	3,872.00	-
Profit for the year		50,835.88	16,941.44
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit			
or loss in subsequent periods:			
Re-measurement gains / (losses)		-	-
Income tax effect on above		-	-
Net gain / (loss) on FVOCI equity instruments		-	-
Income tax effect on above		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent		-	-
Total other comprehensive income for the year, net of tax [A]		-	-
Total comprehensive income for the year, net of tax		50,835.88	16,941.44

See Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION

Note 7

Statement of profit and loss for the Period ended March 31, 2017

Particulars	Notes	In \$	
		Period ended Mar. 31, 2017	Year ended March 31, 2016
Profit for the year attributable to:			
Owners of the Company		50,835.88	16,941.44
Non-controlling interest		-	-
		50,835.88	16,941.44
Total comprehensive income attributable to:			
Owners of the Company		50,835.88	16,941.44
Non-controlling interest		-	-
		50,835.88	16,941.44

As per our report of even date

For and on behalf of the board of directors.

R.R. Deshpande
Director

Date: 27 April 2017

See Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION

Note 7

Statement of Cash Flows for the year ended 31 March 2017

In \$

Particulars	As at Mar. 31, 2017	As at March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	64,598.88	19,931.44
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation expenses	6,597.27	1,071.45
Bad debts and irrecoverable balances written off, net	2,475.11	-
Finance costs	1,150.09	1,049.97
<i>Working Capital Adjustments:</i>		
Increase in trade receivables	(274,729.64)	(62,259.84)
Decrease in financial assets	2,100.00	(2,750.00)
Increase in current assets	(3,926.39)	-
Increase in other liabilities	60,422.70	-
Decrease in financial liabilities	(77,326.57)	251,204.84
Net Cash generated from operations	(218,638.55)	208,247.86
Income taxes paid	(1,261.00)	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(219,899.55)	208,247.86
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	1,082.49	31,638.83
	1,082.49	31,638.83
NET CASH GENERATED FROM INVESTING ACTIVITIES	(1,082.49)	(31,638.83)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid (finance cost)	(1,150.09)	(1,049.97)
Share subscription	-	250,000.00
NET CASH USED IN FINANCING ACTIVITY	(1,150.09)	248,950.03
Net increase / (decrease) in cash and cash equivalents	(222,132.13)	425,559.06
Opening Cash and Cash equivalents	425,559.06	-
Closing Cash and Cash equivalents	203,426.93	425,559.06

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

Date: 27 April 2017

See Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION

Note 7

Statement of Retained Earnings for the year ended 31 March 2017

In \$

Particulars	As at Mar. 31, 2017	As at March 31, 2016
Balance at beginning of year	16,941.44	-
Current year distributions	-	-
Net Income/(Loss) for the current year	50,835.88	16,941.44
Balance at end of year	67,777.32	16,941.44

As per our attached report of even date. For and on behalf of the Board of Directors.



R.R Deshpande
Director

Date: 27 April 2017

See Independent Accountants' Compilation Report

Note 1 : Property, Plant and Equipment

	In \$			
Fixed Assets	Furniture & Fixture	Vehicles	Office Equipment	Total
Cost				
As at April 1, 2015	-	-	-	-
Additions	1,112.75	28,482.15	2,043.93	31,638.83
Deductions	-	-	-	-
Exchange difference	-	-	-	-
As at March 31, 2016	1,112.75	28,482.15	2,043.93	31,638.83
Additions	-	-	-	-
Deductions	-	-	1,082.49	1,082.49
Exchange difference	-	-	-	-
As at March 31, 2017	1,112.75	28,482.15	3,126.42	32,721.32
Depreciation and Impairment				
Depreciation for the year	24.84	949.41	97.20	1,071.45
Impairment for the year	-	-	-	-
Deductions	-	-	-	-
As at March 31, 2016	24.84	949.41	97.20	1,071.45
Depreciation for the year	111.28	5,696.43	789.56	6,597.27
Impairment for the year	-	-	-	-
Deductions	-	-	-	-
As at March 31, 2017	136.12	6,645.84	886.76	7,668.72
Net Block				
As at March 31, 2017	976.63	21,836.31	2,239.66	25,052.60
As at March 31, 2016	1,087.91	27,532.74	1,946.73	30,567.38

See Independent Accountants' Compilation Report

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

Note 7

Note 2 : Other financial assets

	In \$	
	As at Mar. 31, 2017	As at March 31, 2016
Other financial assets		
Security deposits	650.00	2,750.00
Total	650.00	2,750.00

See Independent Accountants' Compilation Report

Note 3 : Trade receivables

Particulars	As at Mar. 31, 2017	As at March 31, 2016
		In \$
Total Trade Receivables	334,514.37	62,259.84
Trade receivables	282,934.15	62,259.84
Receivables from other related parties	51,580.22	-
Break-up for security details:	334,514.37	62,259.84
Secured, considered good	-	-
Unsecured, considered good	334,514.37	62,259.84
Doubtful	-	-
Impairment Allowance (allowance for bad and doubtful debts)		
Doubtful	-	-
Total	334,514.37	62,259.84

Note 4 : Cash and cash equivalents

Particulars	In \$	
	As at Mar. 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Balance with Bank		
Checking account with HSBC Bank	203,426.93	425,559.06
Cash on hand		
Total	203,426.93	425,559.06

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at Mar. 31, 2017	As at March 31, 2016
Balances with banks:		
-On current accounts	203,426.93	425,559.06
Cash on hand		
	203,426.93	425,559.06

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

Note 7

Note 5 : Other current assets

Particulars	In \$		
	As at Mar. 31, 2017	As at March 31, 2016	As at April 01, 2015
Prepaid Expenses	3,926.39	-	-
Total	3,926.39	-	-

See Independent Accountants' Compilation Report

Note 6 : Share capital

Particulars	As at Mar. 31, 2017		As at March 31, 2016	
	No. of shares		No. of shares	
Authorised share capital				
Equity shares of \$ 0.001 each	-	-	-	-
Issued and subscribed share capital				
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

Note 7

Note 7 : Other Equity

Particulars	In \$	
	As at Mar. 31, 2017	As at March 31, 2016
Retained Earnings	67,777.32	16,941.44
Opening Balance	16,941.44	-
Add : Profit for the year	50,835.88	16,941.44
Add : Other Comprehensive income	-	-
Reserves representing unrealised gains/ losses	-	-
Opening Balance	-	-
Add/(Less) : Foreign currency translation reserve	-	-
Total	67,777.32	16,941.44
Other reserves		
Particulars	As at Mar. 31, 2017	As at March 31, 2016
Capital redemption reserve	-	-
General reserve	-	-
Foreign currency translation reserve	-	-
Surplus/(deficit) in the statement of profit and loss	67,777.32	16,941.44
Total other reserves	67,777.32	16,941.44

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KOEL AMERICAS CORPORATION
Notes to the Financial Statements

Note 7

Note 8 : Deferred tax liability (net)

In \$

Particulars	As at Mar. 31, 2017	As at March 31, 2016
Deferred Tax Liability		
Depreciation	3,872.00	-
Total	3,872.00	-

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

Note 7

Note 9 : Trade payables

	In \$	
Particulars	As at Mar. 31, 2017	As at March 31, 2016
Due to micro and small enterprises	-	-
Due to other than micro and small enterprises	34,403.02	20,686.77
Due to related parties	139,453.30	230,518.07
Total	173,856.32	251,204.84

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KOEL AMERICAS CORPORATION
Notes to the Financial Statements

Note 7

Note 10 : Other financial liabilities

	In \$	
Particulars	As at Mar. 31, 2017	As at March 31, 2016
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 Mar. 31, 2017	As at March 31, 2016
Trade Payables (Note 9)	173,856.32	251,204.84
Other financial liabilities (Note 10)	21.95	-
Total financial liabilities carried at amortise cost	173,878.27	251,204.84

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

Note 7

Note 11 : Other Current liabilities

Particulars	In \$	
	As at Mar. 31, 2017	As at March 31, 2016
Advance from customers	58,534.67	-
Other payables	1,888.03	-
Statutory dues including provident fund and tax deducted at source	1,888.03	-
Total	60,422.70	-

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KOEL AMERICAS CORPORATION
Notes to the Financial Statements

Note 7

Note 12 : Current tax liabilities (net)

	In \$	
Particulars	As at Mar. 31, 2017	As at March 31, 2016
Tax provision (Net of tax paid in advance)	11,620.00	2,990.00
Total	11,620.00	2,990.00

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KOEL AMERICAS CORPORATION
Notes to the Financial Statements

Note 7

Note 13 : Revenue from operations

	In \$	
Particulars	2016-17	2015-16
Sale of products	1,547,048.39	502,401.81
Sale of Services	51,580.22	-
Operating income	-	2,475.11
Commission received	-	2,475.11
Total	1,598,628.61	504,876.92

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Note 14 : Purchases of stock-in-trade

Particulars	In \$	
	2016-17	2015-16
Engines and Gensets	1,057,534.71	425,029.32
Total	1,057,534.71	425,029.32

KOEL AMERICAS CORPORATION
Notes to the Financial Statements

Note 7

Note 15 : Employee benefits expense

Particulars	In \$	
	2016-17	2015-16
Salaries, wages, bonus, commission, etc.	83,342.61	12,827.72
Welfare and training expenses	30,886.62	3,250.86
Total	114,229.23	16,078.58

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KOEL AMERICAS CORPORATION
Notes to the Financial Statements

Note 7

Note 16 : Finance costs

	In \$	
Particulars	2016-17	2015-16
Other finance cost	1,150.09	1,049.97
Total	1,150.09	1,049.97

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KOEL AMERICAS CORPORATION
Notes to the Financial Statements

Note 7

Note 17 : Depreciation and amortization expense

Particulars	In \$	
	2016-17	2015-16
Depreciation and amortization expense		
Depreciation on Tangible assets	6,597.27	1,071.45
Total	6,597.27	1,071.45

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KOEL AMERICAS CORPORATION
Notes to the Financial Statements

Note 7

Note 18 : Other expenses

	In \$	
Particulars	2016-17	2015-16
Selling expenses	92,992.23	13,363.42
Commission	27,080.81	13,268.70
Freight and forwarding	21,728.17	-
Advertisement and publicity	41,147.77	94.72
Others selling expenses	3,035.48	-
Administration expenses	261,526.20	28,352.74
Rent	11,440.00	14,354.26
Rates and taxes	597.51	389.00
Insurance	22,786.74	464.18
Travelling and conveyance	22,091.32	637.86
Communication expenses	5,082.33	765.12
Printing and stationery	466.92	146.39
Professional charges	196,450.27	11,464.00
Miscellaneous expenses	136.00	131.93
Bad debts and irrecoverable balances written off	2,475.11	-
Total	354,518.43	41,716.16

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KOEL AMERICAS CORPORATION
Notes to the Financial Statements

Note 7

Note 19 : Income tax

The major component of income tax expense are :

Particulars	In \$	
	2016-17	2015-16
Statement of Profit and Loss		
Current tax	9,891.00	2,990.00
Current income tax	9,891.00	2,990.00
(Excess)/short provision related to earlier years	-	-
Deferred tax	3,872.00	-
Relating to reversal or temporary difference	3,872.00	-
Income tax expense reported in the statement of profit and loss	13,763.00	2,990.00

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Note 20 : 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 21 : 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 22 : 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 23 : 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).

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 Corp



R. R. Deshpande

Director

Date: 27 April 2017