JASH USA Inc. and subsidiary

Consolidated financial statements
March 31, 2019 and March 31, 2018

KNAV P.A.
Certified Public Accountants
One Lakeside Commons, Suite 850
990 Hammond Drive NE
Atlanta, GA 30328

America Counts on CPAs

Table of Contents

Independent Auditor's Report

To,
The Board of Directors
Jash USA, Inc. and subsidiary

We have audited the accompanying consolidated financial statements of Jash USA, Inc. and subsidiary (Collectively called "the Company") which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statement of profit and loss and the consolidated statement of cash flow for the year then ended, and other significant accounting policies, explanatory information and notes to the consolidated financial statements.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the Company as at March 31, 2019 and financial performance, and its cash flows for the year then ended.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	**How our audit addressed the key audit matter**
Going Concern – During the year ended March 31, 2019, Jash USA Inc. has a negative net worth amounting to $1,191,512. The Company incurred operating losses amounting to $1,525,147 and has accumulated deficit of $3,629,160. The Company is generating negative operating cash flows. These events and condition cast significant doubt on the Company's ability to continue as a going concern.	Although these events and condition cast significant doubt on the Company's ability to continue as a going concern, the Company has plans for development of its business operations pursuant to acquisition of assets from VAG USA LLC. Further the parent company has agreed to provide ongoing financial support to the Company to meet its short and long-term liabilities. Considering these mitigating factors, the consolidated financial statements are prepared on going concern basis and no adjustments are required to the carrying values of assets and liabilities except for the assets that are intended for sale.
Intangible assets – The Company has intangible assets with net book value as at March 31, 2019 amounting to $1,160,000 acquired during the acquisition of business	The management made an assessment of indication of impairment using external and internal sources of information. Based on the assessment of the indicators, the

from VAG USA LLC. The management should assess at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the enterprise should estimate the recoverable amount of the asset.	management concluded that potential impairment loss does not exist and accordingly is not required to make a formal estimate of recoverable amount. We have performed audit procedures on the impairment analysis and test reasonability of assumptions and estimates used therein and are of the opinion that no impairment needs to be charged against the carrying amount of the intangible asset.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
The Board of Directors are also responsible for overseeing the Company's financial reporting process

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

KNAV P.A.

Certified Public Accountants
Atlanta, Georgia
May 25, 2019

Consolidated financial statements

Consolidated balance sheets

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

	Notes		As at March 31, 2019	As at March 31, 2018
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	4		2,437,648	1,837,648
Reserves and surplus	5		(3,629,160)	(2,104,013)
		$	**(1,191,512)**	**(266,365)**
Non-current liabilities				
Long term borrowings	8		1,275,601	2,152,273
		$	**1,275,601**	**2,152,273**
Current liabilities				
Trade payables	6		6,666,388	3,571,169
Other current liabilities	7		1,590,241	1,144,083
		$	**8,256,629**	**4,715,252**
TOTAL		$	**8,340,717**	**6,601,160**
ASSETS				
Non-current assets				
Property, plant and equipment				
Tangible assets	9		884,953	639,213
Intangible assets	10		1,160,000	1,305,000
Capital work in progress			35,000	-
Deferred tax asset	23		-	214,662
		$	**2,079,953**	**2,158,875**
Current assets				
Inventories	11		1,456,101	793,085
Trade receivables	12		2,966,919	1,503,523
Cash and bank balances	13		80,083	300,578
Other current assets	14		1,757,660	1,845,099
		$	**6,260,764**	**4,442,285**
TOTAL		$	**8,340,717**	**6,601,160**

Notes 1 to 30 form an integral part of these consolidated financial statements

This is the consolidated balance sheet referred to in our report of even date

For KNAV P.A.
Certified Public Accountants

Atul Deshmukh

Atul Deshmukh, CPA
Engagement Partner
Licensed in Georgia
Place: Atlanta, Georgia
Date: May 25, 2019

For and on behalf of the Board of Directors
JASH USA Inc.

Pratik Patel
Director
Date: May 25, 2019
Place: Indore

L.D. Amin
Director:
Date: May 25, 2019
Place: Indore

Consolidated statements of profit & loss

(All amounts in United States Dollars, unless otherwise stated)	Notes		For the year ended March 31, 2019	For the year ended March 31, 2018
Income				
Revenue from operations (net)	15		10,746,182	5,396,037
Other income	16		-	324,318
Total income		$	**10,746,182**	**5,720,355**
Expenses				
Cost of goods sold	17		7,956,465	5,244,094
Changes in inventory			(663,016)	(780,335)
Employee benefit expenses	18		1,967,592	1,195,133
Finance costs	19		155,562	132,753
Depreciation and amortization expense	20		253,299	171,136
Other expenses	21		2,386,765	698,040
Total expenses		$	**12,056,667**	**6,660,821**
Profit before tax and prior period adjustments			(1,310,485)	(940,466)
Prior period adjustments	22		-	(287,917)
Profit before tax			**(1,310,485)**	**(1,228,383)**
Tax expense:	23			
Deferred tax expense (benefit)			214,662	(214,662)
Net loss after tax for the year		$	**(1,525,147)**	**(1,013,721)**
Loss per equity share (par value USD 10 each)				
- Basic	29		(82.44)	(54.80)
- Diluted			(82.44)	(54.80)

Notes 1 to 30 form an integral part of these consolidated financial statements

This is the consolidated statements of profit and loss referred to in our report of even date

For KNAV P.A.
Certified Public Accountants

Atul Deshmukh

Atul Deshmukh, CPA
Engagement Partner
Licensed in Georgia
Place: Atlanta, Georgia
Date: May 25, 2019

For and on behalf of the Board of Directors
JASH USA Inc.

Pratik Patel
Director
Date: May 25, 2019
Place: Indore

L.D. Amin
Director
Date: May 25, 2019
Place: Indore

Consolidated statements of cash flows

(All amounts in United States Dollars, unless otherwise stated)		For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities			
Net losses before tax		**(1,310,485)**	**(1,228,383)**
Prior period adjustments		-	287,917
Adjustments to reconcile net cash used in operating activities:			
Depreciation and amortization expense		253,299	171,136
Profit on sale of fixed assets			(260,333)
Write down of assets held for sale		66,110	45,115
Reserve for bad and doubtful debts		194,791	24,050
Items considered separately			
Interest expenses		148,982	127,384
Operating profit before working capital changes	$	**(647,304)**	**832,614**
Increase in current liabilities		391,986	12,673
Increase in trade payables		3,095,219	2,438,311
(Increase) decrease in inventories		(663,016)	(780,335)
Decrease in trade receivables		(1,658,187)	(871,631)
(Increase) in other current assets		137,561	(17,899)
Net cash used from / (in) operating activities	$	**381,136**	**(51,995)**
Cash flows from investing activities			
Purchase of tangible assets		(230,149)	(1,721,336)
Proceeds from sale of tangible assets			370,000
Net cash used in investing activities	$	**(230,149)**	**(1,350,336)**
Cash flows from financing activities			
Proceeds received towards additional paid up capital		600,000	100,000
Proceeds from long term borrowings		-	1,900,000
Repayment of long term borrowings		(876,672)	(246,212)
Interest paid		(94,810)	(94,772)
Net cash provided by (used in) financing activities		**(371,482)**	**1,659,016**
Net increase in cash and cash equivalents		**(220,495)**	**255,685**
Cash and cash equivalents at the beginning of the year		300,578	44,893
Cash and cash equivalents at the end of the year	$	**80,083**	**300,578**

The cash flow statements have been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statement' as notified by the Central Government under the Companies Act, 2013. This is the cash flow statement referred to in our report of even date

For KNAV P.A.
Certified Public Accountants

Atul Deshmukh

Atul Deshmukh, CPA
Engagement Partner
Licensed in Georgia
Place: Atlanta, Georgia
Date: May 25, 2019

For and on behalf of the Board of Directors
JASH USA Inc.

Pratik Patel
Director
Date: May 25, 2019
Place: Indore

L.D. Amin
Director
Date: May 25, 2019
Place: Indore

Notes to consolidated financial statements

(All amounts in United stated unless otherwise stated)

1- BACKGROUND AND PRINCIPAL ACTIVITIES

Jash USA Inc. was incorporated on February 23, 2011 in the state of Delaware. It is a wholly owned subsidiary of Jash Engineering Limited. ("JEL" or "Jash India" or "parent company"), a company incorporated in India. JEL is engaged in manufacture and trading of measuring tools, machine tools, water control gates and iron castings. Jash USA Inc. markets and trades these products in the United States of America.

During the year ended March 31, 2017, Jash USA Inc. incorporated a wholly owned subsidiary company by the name of Rodney Hunt Inc. with no capital. Jash USA Inc. and Rodney Hunt Inc. are collectively referred to as the Company.

2 - BASIS OF PREPARATION

The consolidated financial statements are drawn up in accordance with the historical cost convention on accrual basis and comply with the accounting standards issued under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2017 (as amended) and the accounting principles generally accepted in India (Indian GAAP). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous period. The Company has presented consolidated financial statements for the year April 01, 2018 to March 31, 2019 and April 01, 2017 to March 31, 2018 as per Indian GAAP.

All assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in the Schedule III to the Companies Act, 2013.

Going concern

The Company has a negative net worth of $ 1,191,512 and accumulated losses of $ 3,629,160 as on March 31, 2019. Although these events and condition cast significant doubt on the Company's ability to continue as a going concern, the Company has plans for development of its business operations pursuant to acquisition of assets from VAG USA LLC. Further the parent company has agreed to provide ongoing financial support to the Company to meet its short and long-term liabilities. Considering these mitigating factors, the consolidated financial statements are prepared on going concern basis and no adjustments are required to the carrying values of assets and liabilities except for the assets that are intended for sale.

3 - SIGNIFICANT ACCOUNTING POLICIES

1. *Use of estimates*

The preparation of consolidated financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. The estimates and assumptions used in accompanying consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the consolidated financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying consolidated financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

2. *Principles of consolidation*

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS)-21, "Consolidated Financial Statements".

The consolidated financial statements include the accounts of the Company and its subsidiary in which a controlling interest is maintained. Control is defined as: a) the ownership, directly or indirectly through subsidiaries of more than one-half of the voting power of an enterprise; or b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise so as to obtain economic benefits from its activities. Intercompany balances and transactions are eliminated.

3. Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

4. Revenue recognition

Sale of goods

Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of the goods are transferred to the customer and is stated net of trade discounts, sales return and sales tax, wherever applicable. Revenue is recognized when the goods are delivered at customer's premises.

5. Cash and bank balances

The Company considers all highly liquid investments and deposits, which are readily convertible into cash and have original maturity of three months or less to be cash equivalents. Cash and bank balances comprise of balance in current accounts with Banks.

6. Tangible assets

All tangible assets are stated at cost of acquisition less accumulated depreciation. Depreciable assets are valued at cost. The Company depreciates tangible assets over the estimated useful life using the straight-line method. Depreciation of an asset commences when the asset is ready to use for its intended purpose. Upon retirement or disposal of assets, the cost and accumulated depreciation will be eliminated from the accounts and the resulting gain or loss will be credited or charged to operations. The estimated useful lives used to determine depreciation are:

Particulars	Useful life
Furniture and equipment	5 years
Computers	3 years
Plant and machinery	5 years
Exhibition goods	5 years
Vehicles	3 to 5 years

The company acquired above machinery, equipment and vehicles from VAG USA LLC. As these assets are old and used, the Company has estimated a lower useful life compared to the ones mentioned in schedule II of the Companies act, 2013.

7. Intangible

Intangible aassets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price and any cost directly attributable to bringing the asset to its working condition for the intended use.

Particulars	Useful life
Trademark	10 years

8. *Inventories*

Inventories of finished goods and stock in transit are valued at lower of cost or net realizable value. Cost of packing materials and finished goods is determined on first-in-first-out basis. by considering materials, labor, and other related costs incurred in bringing the inventories to their present condition and location.

9. *Income taxes*

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company. The Company accounts for deferred taxes under the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statement of income in the period of change. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In a situation, where the Company has unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

10. *Impairment of assets*

In accordance with Accounting Standard (AS) 28 on 'Impairment of Assets', the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets or where applicable, that of the cash generating unit to which the asset belongs is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount.

11. *Operating leases*

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are recognized in the statement of profit and loss on a straight-line basis over the term of the lease.

12. *Provisions and contingencies*

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

13. *Earnings per share*

In determining earnings per share, the Company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

4 - SHARE CAPITAL

	As at			
	March 31, 2019		March 31, 2018	
Particulars	**Number**	**Amount**	**Number**	**Amount**
Authorized capital				
Equity shares of $ 10 each	18,500	185,000	18,500	185,000
Total	**18,500**	**185,000**	**18,500**	**185,000**
Issued, subscribed and fully paid up				
Equity shares of $ 10 each	18,500	185,000	18,500	185,000
Additional paid up capital*	-	2,252,648	-	1,652,648
Total	**18,500**	**2,437,648**	**18,500**	**1,837,648**

*The Company received additional paid in capital from its parent company, Jash Engineering Ltd. against which the Company has not issued any shares, which is accordance with the State corporate statute.

4.1. Reconciliation of the number of shares

	As at			
	March 31, 2019		March 31, 2018	
Particulars	**Number**	**Amount**	**Number**	**Amount**
Shares outstanding at the beginning of the year	18,500	185,000	18,500	185,000
Issued during the year	-	-	-	-
Shares outstanding at the end of the year	**18,500**	**185,000**	**18,500**	**185,000**

4.2. Terms/rights attached to equity shares

Each holder of common stock is entitled to one vote in respect of each share held in the records of the Company for all matters submitted to a vote.

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

4.3. Disclosure of shareholders holding more than 5% of the equity share capital

	March 31, 2019		March 31, 2018	
Particulars	**Number**	**% of holding**	**Number**	**% of holding**
Equity shares of USD $ 10 each				
Jash Engineering Limited. (Parent company)	18,500	100%	18,500	100%

5 - RESERVES AND SURPLUS

		As at	
		March 31, 2019	March 31, 2018
Deficit in the consolidated statements of profit and loss			
Balance at the beginning of the year		(2,104,013)	(1,090,292)
Prior period adjustments		-	(287,917)
Transferred from consolidated statements of profit and loss		(1,525,147)	(725,804)
Balance at the end of the year		**(3,629,160)**	**(2,104,013)**
Total reserves and surplus	$	**(3,629,160)**	**(2,104,013)**

6 - TRADE PAYABLES

		As at	
		March 31, 2019	March 31, 2018
Due to parent company		6,116,147	3,565,798
Due to others		550,241	5,371
Total	$	**6,666,388**	**3,571,169**

7 - OTHER CURRENT LIABILITIES

		As at	
		March 31, 2019	March 31, 2018
Advances received from parent company		-	150,000
Current portion of long term borrowings		951,515	951,515
Deferred revenue		473,226	-
Other payables		170,500	42,568
Total	$	**1,595,241**	**1,144,083**

8 – LONG TERM BORRROWINGS

		As at	
		March 31, 2019	March 31, 2018
Bank loan		700,758	1,652,273
Loan from parent company		574,843	500,000
Total	$	**1,275,601**	**2,152,273**

Bank loan

The Company obtained a loan from HDFC Bank, Bahrain amounting to $ 1,450,000 on January 24, 2017. It further obtained additional loan amounting to $ 1,400,000 during the year ended March 31, 2018. The Company utilized this loan for acquisition of assets from VAG USA LLC. The loan is entirely guaranteed by Jash Engineering Ltd, the parent Company. The said loans bear an interest of LIBOR+2.5% (average interest rate for the year ended March 31, 2019: 2.84%). These loans are payable in 42 months from the date of borrowing.

During the year ended March 31, 2019, the Company repaid an amount of $876,672 towards principal amount and the interest expense recorded towards the loan amounts to $148,982 (March 31, 2018: $ 94,759).

Loan from parent company

During the year ended March 31, 2018, the Company obtained loan from JASH Engineering Ltd. amounting to $ 500,000 for the purpose of paying consideration towards business acquisition. The said loan bears an interest of 8%. The loan is currently obtained for a period for 2 years, however, the same can be extended at the demand of the Company. As at year ended March 31, 2019, entire amount of $ 500,000 is outstanding and during the year the Company has recorded interest expense of $ 42,580 (March 31, 2018: 32,635).

9 - TANGIBLE ASSETS

	Furniture and equipment	Computers	Plant and machinery	Exhibition goods	Land and factory shed*	Total
Gross block						
Balance as at April 01, 2017	**35,752**	**5,728**	**900,000**	**36,395**	**-**	**977,875**
Additions	6,648	2,702		2,135	400,241	411,726
Disposal	-	-	(704,981)	-	-	(704,981)
Balance as at March 31, 2018	**42,400**	**8,430**	**195,019**	**38,530**	**400,241**	**684,620**
Additions	-	2,936	92,168	-	-	92,168
Transfer of asset held for sale	-	-	100,045	-	158,890	258,936
Balance as at March 31, 2019	**42,400**	**11,366**	**387,232**	**38,530**	**559,131**	**1,038,659**
Accumulated depreciation						
Balance as at April 01, 2017	8,319	**-**	**-**	**-**	**-**	**8,319**
Depreciation	6,150	2,527	10,680	6,779		26,136
Prior period adjustments	3,619	1,102	6,230			10,951
Balance as at March 31, 2018	**18,089**	**3,629**	**16,910**	**6,779**	**-**	**45,407**
Depreciation	8,934	2,520	47,201	7,708	41,935	108,299
Prior period adjustments	-	-	-	-	-	-
Balance as at March 31, 2019	**27,023**	**6,149**	**64,111**	**14,487**	**41,935**	**153,706**
Net block						
Balance as at March 31, 2019	**15,377**	**5,217**	**323,121**	**24,043**	**517,196**	**884,953**
Balance as at March 31, 2018	**24,311**	**4,801**	**178,109**	**31,751**	**400,241**	**639,213**

10 – INTANGIBLES

	Trademarks	Total
Gross block		
Balance as at April 01, 2017	1,450,000	1,450,000
Additions	-	-
Balance as at March 31, 2018	**1,450,000**	**1,450,000**
Balance as at April 01, 2018	**1,450,000**	**1,450,000**
Additions	**-**	**-**
Balance as at March 31, 2019	**1,450,000**	**1,450,000**

Accumulated amortization

Balance as at April 01, 2017	-	-
Additions	145,000	145,000
Disposal	-	-
Balance as at March 31, 2018	**145,000**	**145,000**
Balance as at April 01, 2018	145,000	145,000
Amortization	145,000	145,000
Balance as at March 31, 2019	**290,000**	**290,000**
Net block as at March 31, 2019	**1,160,000**	**1,160,000**

11 – INVENTORY

		As at	
		March 31, 2019	March 31, 2018
Finished goods*		591,813	793,085
Raw materials		841,341	-
Stock WIP		22,946	-
Total	$	**1,456,101**	**793,085**

*Finished goods include stock in transit amounting to $ 566,813 on March 31, 2019 (March 31, 2018: 603,085)

12- TRADE RECEIVABLES

		As at	
		March 31, 2019	March 31, 2018
Outstanding for a period not exceeding six months from the date they are due for payment			
Unsecured, considered good		2,966,919	1,503,523
Unsecured, considered doubtful		193,783	24,050
Less: Allowances for bad and doubtful debts		(193,783)	(24,050)
Total	$	**2,966,919**	**1,503,523**

Movement in allowance for doubtful debts is as follows:

		Year ended	
		March 31, 2019	March 31, 2018
Opening balance		24,050	-
Add: Allowance created during the year		194,790	24,050
Less: Bad debts written off		(25,057)	-
Total	$	**193,783**	**24,050**

13 - CASH AND BANK BALANCES

		As at	
		March 31, 2019	March 31, 2018
Balance with banks			
- on current accounts		80,083	300,578
Total	$	**80,083**	**300,578**

14 - OTHER CURRENT ASSETS

		As at	
		March 31, 2019	March 31, 2018
Advances given		-	19,899
Tangible assets held for sale: *(Refer note 28)*			
- Factory shed*		1,050,000	1,275,000
- Plant and machinery		300,500	550,200
Accrued revenue		389,459	-
Others		17,702	-
Total	$	**1,757,660**	**1,845,099**

*After the acquisition of land and factory shed from VAG USA LLC., the management has decided to sell a major portion of land and factory shed. Accordingly, it is classified as asset held for sale and valued at lower of cost or realizable value. Accordingly, during the year, the Company has written down value of land and factory held for sale amounting to $66,110.

15 – REVENUE FROM OPERATIONS

		For the year ended	
		March 31, 2019	March 31, 2018
Sales of products		10,051,725	5,396,037
Sale of spares		579,521	-
Services		114,936	-
Total	$	**10,746,182**	**5,396,037**

16 – OTHER INCOME

		For the year ended	
		March 31, 2019	March 31, 2018
Profit on sale of assets		-	260,333
Others		-	63,985
Total	$	**-**	**324,318**

17 – COST OF GOODS SOLD

		For the year ended	
		March 31, 2019	March 31, 2018
Purchases		8,083,615	4,639,410
Other expenses		(127,150)	604,684
Total	$	**7,956,465**	**5,244,094**

18 - EMPLOYEE BENEFIT EXPENSES

		For the year ended	
		March 31, 2019	March 31, 2018
Salaries, wages and bonus		1,967,592	1,195,133
Total	$	**1,967,592**	**1,195,133**

19 – FINANCE COST

		For the year ended	
		March 31, 2019	March 31, 2018
Interest expenses		148,982	127,384
Bank charges		6,581	5,369
Total	$	**155,562**	**132,753**

20 – DEPRECIATION AND AMORTIZATION

		For the year ended	
		March 31, 2019	March 31, 2018
Depreciation		108,299	26,136
Amortization expenses		145,000	145,000
Total	$	**241,382**	**171,136**

21 - OTHER EXPENSES

		For the year ended	
		March 31, 2019	March 31, 2018
Rent		42,317	41,590
Advertisement and sales promotion expenses		100,094	70,436
Travel expenses		130,720	3,600
Auditors' remuneration		32,832	9,000
Professional expenses		58,045	46,511
Commission		179,092	59,715
Electricity expenses		219,013	66,545
Bad debts		194,791	24,050
Revaluation adjustment		66,110	45,115
Office expenses		31,864	31,303
Miscellaneous expenses		1,331,887	300,175
Total	$	**2,386,765**	**698,040**

22- PRIOR PERIOD ADJUSTMENTS

		For the year ended	
		March 31, 2019	March 31, 2018
Employee benefit expenses		-	281,063
Depreciation on plant and machineries		-	10,951
		-	**292,014**
Less: Other income		-	(4,097)
Total	$	**-**	**287,917**

23- INCOME TAX EXPENSES

During the year ended March 31, 2019, the Company has incurred a net loss after tax of $ 1,525,147 and had accumulated losses of $ 3,629,160. The Company has sufficient carry forward tax losses and it is not liable to pay taxes on income as per the U.S. federal and state tax laws. Accordingly, provision for the year March 31, 2019 and March 31, 2018 is Nil.

Since as at March 31, 2019, there is no virtual certainty that the carry forward tax losses will be utilized by the Company against the taxable profits, the Company has not recognized deferred tax asset. Accordingly, the deferred tax asset recognized as at March 31, 2018 amounting to $214,662 has been reversed during the current year ended March 31, 2019.

24– SEGMENT REPORTING

The Company is primarily engaged in marketing and distribution which is considered to be the only reportable business segment as per Accounting Standard - 17 "Operating Segments". There is no other reportable segment.

25- RELATED PARTY TRANSACTIONS

Related parties with whom transactions have taken place during the year are:

a. Jash Engineering Limited – Parent company.
b. Details of key managerial personnel: Mr. Ranjit Nair- Director

Particulars		March 31, 2019	March 31, 2018
Transactions during the year			
- Purchases made during the year	$	4,993,307	3,650,064
- Sale made during the Year	$	516,547	-
- Supply of Plant & Machinery	$	196,000	-
- Expense incurred on behalf of Parent Company	$	75,000	-
- Interest accrued on loan	$	42,580	32,635
- Received additional paid in capital	$	600,000	-
- Allocation of selling and marketing expenses	$	-	75,895
- Loan obtained during the year	$	-	500,000
- Remuneration of Ranjit Nair	$	171,320	175,000
- Advances obtained from Ranjit Nair	$	107,500	75,655
- Advances repaid to Ranjit Nair	$	107,500	81,104
Balance at year end			
- Payable to parent company	$	(6,116,147)	(3,568,480)
- Receivable during the year	$	600,547	-
- Loan payable	$	(500,000)	(500,000)
- Interest payable	$	(74,843)	(32,635)
- Advances for machineries	$	-	(150,000)
- Advances receivable from Ranjit Nair	$	-	5,449

Further, the parent company has provided guarantee towards the loans obtained from HDFC Bank, Bahrain.

26 - COMMITMENTS AND CONTINGENCIES

The Company had entered into a lease agreement for its office premise at Stafford, Texas which has been renewed up to 30th June 2019 with monthly rent expense of $3,523. The Company records monthly rent expense on straight-line basis over the term of lease. Rent expense for year ended March 31, 2019 is $41,856 (March 31, 2018: $ 41,590).

Future minimum lease commitments at March 31, 2019, are as follows:

Year ending March 31,	Amount (USD)
2020	7,046

27 - BUSINESS ACQUISITION

During the year ended March 31, 2017, the Company pursuant to an asset purchase agreement dated September 21, 2016 purchased certain assets namely machinery, vehicles, inventories and trade marks from VAG USA LLC. The said purchase was made for a combined consideration of $ 2,670,000. Further, the Company vide an agreement dated March 20, 2017, the Company acquired factory shed and land from VAG USA LLC. valuing up to $ 1,600,000. The ownership of the factory shed got transferred to the Company in July 2017. The acquisition was funded through loans from HDFC Bank, Bahrain and Jash Engineering Limited.

The assets acquired are as follows:

Particulars	Amount
Machinery and equipment	$ 1,000,000
Trademark - 'Rodney Hunt'	$ 1,450,000
Inventories	$ 220,000
Factory shed and land	$ 1,600,000
Total	**$ 4,270,000**

28- ASSETS HELD FOR SALE

Out of the assets acquired from VAG USA LLC., as described in note 27 above, the Company retained certain assets including vehicles, trademarks and certain portion of land & factory shed and has put the rest on sale. The Company intends to sell about 40 acres of land and factory shed. The assets held for sale are valued at realizable value as on March 31, 2019 and 2018. On account of the same, the Company has recognized a revaluation loss of $66,110 and $ 45,155 during the year ended March 31, 2019 and 2018, respectively, classified under other expenses. The assets held for sale are disclosed separately as other current assets. The gains on sale of assets are shown under other income in the statements of profit and loss.

29 - LOSSES PER SHARE

Earnings Per Share (EPS) is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

		For the year ended	
Particulars		**March 31, 2019**	**March 31, 2018**
Net losses	$	(1,525,147)	(1,013,721)
Weighted average number of equity shares (basic and diluted)		18,500	18,500
Basic and diluted losses per share	$	(82.44)	(54.80)

30 - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2019 through May 25, 2019; the date the Consolidated financial statements are issued. Based on the evaluation, the Company is not aware of any events or transactions except those mentioned below that would require recognition or disclosure in the consolidated financial statements.

For KNAV P.A.
Certified Public Accountants

Atul Deshmukh

Atul Deshmukh, CPA
Engagement Partner
Licensed in Georgia
Place: Atlanta, Georgia
Date: May 25, 2019

For and on behalf of the Board of Directors
JASH USA Inc.

Pratik Patel	**L.D. Amin**
Director	Director
Date: May 28, 2019	Date: May 28, 2019
Place: Indore	Place: Indore