

GODREJ AMERICAS INC.
Financial Statements and
Independent Auditors' Report
March 31, 2017 and 2016

GODREJ AMERICAS INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Godrej Americas Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Godrej Americas Inc. (the Corporation) which comprise the balance sheets as of March 31, 2017 and 2016, and the related statements of operations, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Godrej Americas Inc. as of March 31, 2017 and 2016, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Atchley & Associates, LLP

Austin, Texas

June 22, 2017

FINANCIAL STATEMENTS

GODREJ AMERICAS INC.
BALANCE SHEETS
March 31, 2017 and 2016

ASSETS

Current Assets

	2017	2016
Cash	\$ 127,029	\$ 227,420
Employee advance	3,840	5,840
Deferred tax asset	32,363	10,006
Deposits	2,058	-
Prepaid expenses	-	785
Total Current Assets	165,290	244,051
Total Assets	\$ 165,290	\$ 244,051

LIABILITIES AND EQUITY

Current Liabilities

Accounts payable	\$ -	\$ 750
Total Current Liabilities	-	750
Total Liabilities	-	750

Stockholder's Equity

Common stock (no par value; 10,000,000 authorized, 300,000 issued and outstanding)	300,000	300,000
Retained earnings (accumulated deficit)	(134,710)	(56,699)
Total Stockholder's Equity	165,290	243,301
Total Liabilities and Stockholder's Equity	\$ 165,290	\$ 244,051

The accompanying notes are an integral
part of these financial statements.

GODREJ AMERICAS INC.
STATEMENTS OF OPERATIONS
Years Ended March 31, 2017 and 2016

	2017	2016
Revenue	\$ -	\$ -
Operating expenses		
Salaries and wages	65,034	26,677
Professional fees	12,818	7,403
Rental	9,579	8,309
Employee benefits	5,757	2,917
Travel expenses	5,064	791
GA selling & marketing	800	16
Utilities	620	61
Other general and administrative	402	3,110
Computer-related expenses	294	-
Total Operating expenses	100,368	49,284
Loss from operations before income taxes	(100,368)	(49,284)
Income tax expense (benefit)	(22,357)	(7,393)
Net earnings (loss)	\$ (78,011)	\$ (41,891)

The accompanying notes are an integral
part of these financial statements.

GODREJ AMERICAS INC.
STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
Years Ended March 31, 2017 and 2016

	Common Stock Shares	Amount paid in	Retained Earnings	Total Stockholder's Equity
Balance at April 1, 2015	300,000	\$ 300,000	\$ (14,808)	285,192
Net earnings (loss)	-	-	(41,891)	(41,891)
Balance at March 31, 2016	300,000	300,000	(56,699)	243,301
Net earnings (loss)	-	-	(78,011)	(78,011)
Balance at March 31, 2017	300,000	\$ 300,000	\$ (134,710)	\$ 165,290

The accompanying notes are an integral part of these financial statements.

GODREJ AMERICAS INC.
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Net earnings (loss)	\$ (78,011)	\$ (41,891)
Adjustments to reconcile net loss to net cash from operating activities:		
Deferred taxes	(22,357)	(7,393)
Change in assets and liabilities		
(Increase) decrease in employee advances	2,000	(5,840)
(Increase) decrease in prepaid expenses	785	13
(Increase) decrease in deposits	(2,058)	-
Increase (decrease) in accounts payable	(750)	(2,155)
	<u>(100,391)</u>	<u>(57,266)</u>
Net Cash Provided (Used) by Operating Activities		
	(100,391)	(57,266)
Cash at Beginning of Year	<u>227,420</u>	<u>284,686</u>
Cash at End of Year	<u><u>\$ 127,029</u></u>	<u><u>\$ 227,420</u></u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for interest	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Cash paid during the year for income taxes	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral
part of these financial statements.

GODREJ AMERICAS INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2017 and 2016

NOTE A - SUMMARY OF ACCOUNTING POLICIES

Organization

Incorporated on April 1, 2014, Godrej Americas Inc. (the Corporation) is a wholly owned subsidiary of Godrej & Boyce Mfg.Co.Ltd., India. The Corporation will undertake the marketing and sales of its products and services largely consisting of fabricated pressure vessels, reactors, heat exchangers and other critical unit static equipments for the oil and gas, fertilizers, petrochemicals, power and allied industries. The initial focus of the Corporation is to establish an office in the United States and recruit personnel.

A summary of the significant accounting policies consistently applied in the preparation of the Corporation's financial statements follows.

1. Cash

Cash consists of cash on hand.

2. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Income Taxes

Deferred tax assets and liabilities are recognized by the Corporation for the tax consequences of temporary differences between financial reporting and the tax basis of existing assets, liabilities, and net operating results. The tax rate used to determine the deferred tax assets and liabilities is the enacted tax rate for the year in which the differences are expected to reverse. As the Corporation has incurred net operating losses since incorporation, there are net operating loss carryforward tax benefits that have been accumulated and not yet realized.

The Corporation has adopted Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 740-10, *Accounting for Uncertainty in Income Taxes*. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in financial statements. It also provides guidance for derecognition, classification, interest and penalties, disclosure, and transition.

GODREJ AMERICAS INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2017 and 2016

NOTE A - SUMMARY OF ACCOUNTING POLICIES (Continued)

3. Income Taxes (continued)

As operations began in 2015, all tax returns of the Corporation are open to examination by federal and state agencies.

4. Subsequent Events

Management of the Corporation has evaluated subsequent events for disclosure through the date of the independent auditors' report, the date the financial statements were available to issued.

NOTE B - INCOME TAXES

For the year ended March 31, 2017, the Corporation incurred net operating losses. At March 31, 2017, the Corporation had \$100,368 of federal net operating losses. The net operating loss carryforwards, if not utilized, will begin to expire in 2024.

A reconciliation between the amount of income tax benefit determined by applying the applicable U.S. statutory income tax rate to pre-tax loss is as follows:

	2017	2016
Computed tax benefit at the federal statutory rate	\$ 22,357	\$ 7,393

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Corporation's deferred tax assets and liabilities are as follows:

	2017	2016
Deferred tax assets:		
Net operating losses	\$ 32,363	\$ 10,006

NOTE C - CONCENTRATION OF CREDIT RISK AND SIGNIFICANT CUSTOMERS

Cash in Banks

The Corporation maintains its demand deposit accounts with one major commercial bank. Balances on these accounts are insured by the Federal Deposit Insurance Corporation. Management assesses the financial condition of the bank and believes that the possibility of any loss is minimal. There was no amount in excess of available insurance as of March 31, 2017.

GODREJ AMERICAS INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2017 and 2016

NOTE D - LEASE OBLIGATIONS

The Corporation leases office space under the terms of a lease agreement originally dated February 1, 2017. The lease term runs through April 30, 2018, and becomes a month-to-month lease following the initial term. Rental expense totaled \$9,579 for the year ended March 31, 2017.

Future minimum lease payments as of March 31, 2017, are:

Year Ending March 31,		
2018	\$	10,290
2019		<u>1,029</u>
	\$	<u><u>11,319</u></u>