INDEPENDENT AUDITORS' REPORT

To,
The Board of Directors
KALPATARU POWER TRANSMISSION – USA, INC

Report on the Ins AS Financial Statements

We have audited the accompanying Ind AS financial statements of **KALPATARU POWER TRANSMISSION – USA, INC** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information. The financial statements have been prepared by management of the Company based on the financial reporting provisions of section 129(3) of the Indian Companies Act, 2013 ("the Act") for the purpose of consolidation by Kalpataru Power Transmission Limited ("the Holding Company").

Management's Responsibility for the Financial Statements

The Management of the Company is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the financial reporting provisions of section 129(3) of the Indian Companies Act, 2013 ("the Act"). This responsibility also includes maintenance of adequate accounting records 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal financial control relevant to the Company'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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view of affairs of the Company as at 31st March, 2018 and loss of its results of operations and its cash flows for the year then ended in accordance with the financial reporting provisions of section 143 (2) of the Act.

Basis of Accounting

Without modifying our opinion, we draw attention to 3.B to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Holding Company to prepare Consolidated financial statements only to comply with section 129(3) of the Act. As a result, the financial statements may not be suitable for another purpose.

Other Matter

We did not consider the applicable local laws and regulations of the country of operations or applicable to the company.

Our opinion is not modified in respect of these matters.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W

Neela R. Shah
Partner
Membership No. 045027
Place: Vadodara
Date: 15th April, 2018

KALPATARU POWER TRANSMISSION - USA INC.
Balance Sheet as at 31st March, 2018

(Amt in USD)

	Note	As at 31st March, 2018	As at 31st March 2017
ASSETS			
Non-current assets			
(a) Property, Plant and Equipments	3	-	92.05
Total Non Current Assets		**-**	**92.05**
Current Assets			
(a) Financial Assets			
(i) Trade receivables	4	1,08,877.23	1,83,129.00
(ii) Cash and cash equivalents	5	28,762.24	91,937.76
(b) Other current assets	6	10,308.75	7,739.75
Total Current Assets		**1,47,948.22**	**2,82,806.51**
TOTAL ASSETS		**1,47,948.22**	**2,82,898.56**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	7	5,00,000.00	5,00,000.00
(b) Other Equity	8	(3,54,950.99)	(2,22,813.13)
Total Equity		**1,45,049.01**	**2,77,186.87**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	9	-	1,650.00
(ii) Others	10	2,750.71	3,347.39
(b) Provisions	11	148.50	714.30
Total Current Liabilities		**2,899.21**	**5,711.69**
TOTAL EQUITY AND LIABILITIES		**1,47,948.22**	**2,82,898.56**

Significant Accounting Policies
Notes forming part of the Financial Statements **1 to 22**

For K. C. Mehta & Co. **Chartered Accountants**	**For and on behalf of the Board**
Neela R. Shah **Partner** **Membership No. 045027** **Place : Vadodara** **Date :15th April 2018**	**M. C. Mehta** **Director** **Place : Austin Texas** **Date :11th April 2018**

KALPATARU POWER TRANSMISSION - USA INC.
Statement of Profit and Loss for the year ended 31st March, 2018

(Amt in USD)

	Note	For the year ended on 31st March 2018	For the year ended on 31st March 2017
Revenue from Operations	12	1,13,148.62	86,318.93
Other Income	13	20.81	55.88
TOTAL INCOME		**1,13,169.43**	**86,374.81**
EXPENSES			
Employee Benefits Expense	14	1,32,914.72	1,40,799.49
Depreciation and Amortization Expense	3	92.05	516.00
Other Expenses	15	1,12,300.52	1,63,292.87
TOTAL EXPENSES		**2,45,307.29**	**3,04,608.36**
Profit/ (Loss) Before Tax		(1,32,137.86)	(2,18,233.55)
Tax Expenses	16		
Current Tax		-	-
Deferred Tax		-	4,418.43
Profit/ (Loss) for the year		**(1,32,137.86)**	**(2,22,651.98)**
Other Comprehensive Income			
Items that will be reclassified to Profit or Loss			
Actuarial Loss on Defined Plan Liability		-	-
Income tax on above items		-	-
		-	-
Total Comprehensive Income for the year		**(1,32,137.86)**	**(2,22,651.98)**
Earnings per Equity Share (for continuing operation)			
Basic and Diluted		(0.26)	(0.45)

Notes forming part of the Financial Statements **1 to 22**

For K. C. Mehta & Co.
Chartered Accountants

For and on behalf of the Board

Neela R. Shah
Partner
Membership No. 045027
Place : Vadodara
Date :15th April 2018

M. C. Mehta
Director
Place : Austin Texas
Date :11th April 2018

KALPATARU POWER TRANSMISSION - USA, INC.
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018 (Amt in USD)

			For the year ended on 31st March 2018	For the year ended on 31st March 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**			
	Net profit/(Loss) before taxation, and extraordinary items		**(1,32,137.86)**	**(2,18,233.55)**
	Adjustment for			
	Depreciation		92.05	516.00
	Interest Income		(20.81)	(55.88)
	OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		**(1,32,066.62)**	**(2,17,773.43)**
	Adjustment for:			
	Trade Receivable		74,251.77	2,84,824.36
	Trade & Other Liabilities		(2,812.48)	(70,528.46)
	Loans and advances		(2,569.00)	0.25
	CASH GENERATED FROM / (USED IN) OPERATIONS		**(63,196.33)**	**(3,477.28)**
	Income Tax Paid		-	(4,541.89)
	NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	**(A)**	**(63,196.33)**	**(8,019.17)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**			
	Purchase of Fixed Assets			
	Interest Income		20.81	55.88
	CASH USED IN INVESTING ACTIVITIES	**(B)**	**20.81**	**55.88**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**			
	Repayment of short term unsecured loans		-	-
	NET CASH SURPLUS IN FINANCING ACTIVITIES	**(C)**	**-**	**-**
D.	**NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)**		**(63,175.52)**	**(7,963.29)**
E.	**Opening Cash and Cash Equivalent**		**91,937.76**	**99,901.05**
F	**Closing Cash and Cash Equivalent**		**28,762.24**	**91,937.76**

Notes

1	Cash and Cash Equivalents comprises of:		
	Cash on hand	-	-
	Balance with banks		
	- Current Accounts	28,762.24	91,937.76

As per our report of even date attached

For K. C. Mehta & Co.
Chartered Accountants

Neela R. Shah
Partner
Membership No. 045027
Place : Vadodara
Date :15th April 2018

For and on behalf of the Board

M. C. Mehta
Director
Place : Austin Texas
Date :11th April 2018

Statement of Changes in Equity for the year ended on March 31, 2018:-

(i) **EQUITY SHARE CAPITAL**

Particulars	(Amount in USD)
Balance at 01 April 2016	5,00,000.00
Changes During the year	-
Balance at 31 March 2017	**5,00,000.00**
Changes During the year	-
Balance at 31 March 2018	**5,00,000.00**

(ii) **OTHER EQUITY**

(Amount in USD)

Particulars	Retained earnings
Balance at 01 April 2016	**(161.15)**
Profit / (Loss) for the year	**(2,22,651.98)**
Other comprehensive income	-
Balance at 31 March 2017	**(2,22,813.13)**
Profit / (Loss) for the year	**(1,32,137.86)**
Other comprehensive income	-
Balance at 31 March 2018	**(3,54,950.99)**

For K. C. Mehta & Co.
Chartered Accountants

Neela R. Shah
Partner
Membership No. 045027
Place : Vadodara
Date :15th April 2018

For and on behalf of the Board

M. C. Mehta
Director

Place : Austin Texas
Date :11th April 2018

1. CORPORATE INFORMATION

Kalpataru Power Transmission - USA, Inc. is registered with the office of the Secretary of State of Texas under the Certificate of File No. 801191610. The registered address of the company is 7500 Rialto Blvd, Suite 250, Bldg 1

Austin, Texas 78735. The company is primarily engaged in sales and services in relation to sales of Transmission towers.

Kalpataru Power Transmission - USA, Inc. is wholly owned subsidiaty of Kalpataru Power Transmission Ltd , India.

2 **Application of New Indian Accounting Standards**

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

The Ministry of Corporate Affairs (MCA), on 28th March 2018, has notified the Ind AS 115, “Revenue from Contracts with Customers” which is effective for accounting periods beginning on or after 1 April, 2018. The Company is evaluating the disclosure requirements and its effect on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

A. Statement of compliance

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) issued under section 133 of the Companies Act, 2013 and notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2016.
The Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended)

B. Basis of preparation of Financial Statement

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are prepared to assist the Holding Company to prepare Consolidated financial statements only to comply with section 129(3) of the Act.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The operating cycle has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in Ind AS-1 ‘Presentation of Financial Statements’.

The financial statement are presented in US $.

(i) Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:
(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
(b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
(c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company’s assumptions about pricing by market participants.

C. Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make judgements, estimates and assumptions that affect the reported balance of assets and liabilities, disclosure relating to contingent assets and liabilities as at the date of the financial statements and the reported amount of revenues and expense for the period. Estimates and underlying assumptions are reviewed on ongoing basis. Revision of accounting estimates are recognised in the period in which the estimates are revised and future period affected.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of Property, Plant and Equipment, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities.

(i) Critical judgments in applying accounting policies

The following are the critical judgements that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

(a) Determination of functional currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is US Dollar ($) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be US dollar ($).

(b) Determining whether an arrangement contain leases and classification of leases

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

D. Revenue Recognition

Revenue from sale of goods is recognised when significant risks and rewards of the goods are passed on to the buyer.
Revenue from services is recognized as per the terms of the contract.
Success Fee is recognized on accrual basis as per the contractual terms and conditions and as and when the terms are fulfilled.

Interest income is recognized on time proportion basis.
Other items of income are recognized as and when the right to receive arises.
Insurance and other claims are recognised only when it is reasonably certain that the ultimate collection will be made.

E. Income taxes

Income tax expense comprises current tax expense and net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are recognized for future tax consequence attributable to timing differences between taxable income and accounting income that are measured at relevant enacted tax rates. At each balance sheet date the company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

(i) Current income taxes

Provision for current tax is made on the basis of estimated tax payable for the year as per the applicable Tax Laws.

(ii) Deferred income taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised..

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

F. Employee Benefits

Employee benefits include salaries, wages, leave encashment towards un-availed leave and compensated absences.

All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

G. Provisions , Contingent Liabilities & Contingent Asset

Provisions are recognised when there is present obligation (legal or constructive) as a result of a past event, it is probable that company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent assets are disclosed in the financial statements by way of notes to accounts when an inflow of economic benefit is probable.

H. Property, Plant and equipment

Property, Plant and Equipment are stated at cost of acquisition/construction net of recoverable taxes and include amounts added on revaluation, less accumulated depreciation / amortization and impairment loss, if any. All costs, including finance costs and adjustment arising from exchange rate variations attributable to fixed assets till assets are put to use, are capitalized.

Computers are depreciated using the straight-line method over the estimated useful lives of the assets, generally three to five years.

I. Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount in subsequent period.

J. Foreign Exchange Transactions:

The functional currency of the Company is US Dollar ($) which represents the currency of the primary economic environment in which it operates.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting period.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

K. Earnings Per share

Basic earnings per share are computed by dividing profit or loss (after tax) of the Company by dividing weighted average number of equity shares outstanding during the period. The company did not have any potential to dilutive securities in any other period presented.

L. Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit or loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associates with investing or financing cash flows. The cash flow from operating, investing and financing activities of Company are segregated.

M. Financial instruments

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss

(i) Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

(ii) Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial asset and liabilities at fair value through profit & loss) are added to or deducted from the fair value measured on initial recognition of the financial assets or financial liabilities.

(iii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost, using the effective interest rate method, if:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category generally applies to trade and other receivables.

(iv) Financial asset at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flow and selling asset financial asset and the contractual terms of financial asset give rise on specific dates to cash flows that are solely payment of principal and interest on principal amount outstanding.

(v) Financial asset at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or fair value through other comprehensive income. Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

(vi) Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and/or receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such exchange or modification is accounted as derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss.

N.. Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

O. Lease

Lease payments under operating leases are recognized as an expense on a straight line basis in the Statement of Profit and Loss over the lease term.

KALPATARU POWER TRANSMISSION - USA, INC.

3 Property, Plant and Equipments

Carring amount of :	As at 31st March, 2018	As at 31st March, 2017
Computers	-	92.05

Cost or Deemed Cost	Computers	Total
Balance as at April 1, 2016	1,230.05	1,230.05
Addition	-	-
Disposal/adjustments	-	-
Balance as at 31st March, 2017	1,230.05	1,230.05
Addition	-	-
Disposal/adjustments	-	-
Balance as at 31st March, 2018	**1,230.05**	**1,230.05**
Accumulated Depreciation		
Balance as at April 1, 2016	622.00	-
Addition	516.00	622.00
Disposal/adjustments		
Balance as at 31st March, 2017	**1,138.00**	**622.00**
Addition	92.05	92.05
Disposal/adjustments		
Balance as at 31st March, 2018	**1,230.05**	**714.05**

(Amt in USD)

4 TRADE RECEIVABLES- Current	As at 31st Mar 2018	As at 31st March 2017
(Unsecured Considered good)		
Current *	1,08,877.23	1,83,129.00
TOTAL	**1,08,877.23**	**1,83,129.00**

*** Outstanding trade receivable are within agreed credit period, and / or not due.**

(Amt in USD)

5 CASH AND CASH EQUIVALENTS	As at 31st Mar 2018	As at 31st March 2017
Balance With Banks		
In Current Accounts	28,762.24	91,937.76
TOTAL	**28,762.24**	**91,937.76**

(Amt in USD)

6 OTHER CURRENT ASSETS	As at 31st Mar 2018	As at 31st March 2017
Prepaid Expenses	10,308.75	7,739.75
TOTAL	**10,308.75**	**7,739.75**

(Amt in USD)

		As at 31st March 2018	As at 31st March 2017
7	**EQUITY**		
	AUTHORISED :		
	500,000 (500,000) Common Shares of USD 1 each fully paid up	5,00,000.00	5,00,000.00
	TOTAL	**5,00,000.00**	**5,00,000.00**
	ISSUED, SUBSCRIBED and PAID-UP:		
	500,000 (500,000) Common Shares of USD 1 each fully paid up	5,00,000.00	5,00,000.00
	TOTAL	**5,00,000.00**	**5,00,000.00**

7.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March 2018		As at 31st March 2017	
	Numbers	USD	Numbers	USD
Shares outstanding at the beginning of the year	5,00,000	5,00,000	500000	5,00,000
Shares outstanding at the end of the year	5,00,000	5,00,000	500000	5,00,000

7.2 The Company has only one class of Equity Shares having par value of USD 1 per share. Each holder of Equity Shares is entitled to one vote per share.
In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of Equity Shares held by the

7.3 All the above shares are held by Kalpataru Power Transmission Limited, India (the holding Company).

		As at 31st March 2018	As at 31st March 2017
8	**OTHER EQUITY**		
	Surplus in the Statement of Profit and Loss :		
	As per last Balance Sheet	(2,22,813.13)	(161.15)
	Add : Profit (loss) for the year	(1,32,137.86)	(2,22,651.98)
	TOTAL	**(3,54,950.99)**	**(2,22,813.13)**

(Amt in USD)

		As at 31st March 2018	As at 31st March 2017
9	**TRADE PAYABLE**		
	Others	-	1,650.00
	TOTAL	**-**	**1,650.00**
10	**OTHER FINANCIAL LIABILITIES**		
	Other Payable	2,750.71	3,347.39
	TOTAL	**2,750.71**	**3,347.39**
11	**PROVISIONS**		
	Provision for employee benefits	148.50	714.30
	TOTAL	**148.50**	**714.30**

KALPATARU POWER TRANSMISSION - USA INC.
NOTES ON FINANCIAL STATEMENTS

(Amt in USD)

		For the year ended on 31st March 2018	For the year ended on 31st March 2017
12	**REVENUE FROM OPERATIONS**		
	Income from Services	1,13,148.62	86,318.93
	TOTAL	**1,13,148.62**	**86,318.93**
13	**OTHER INCOME**		
	Interest Income	20.81	55.88
	TOTAL	**20.81**	**55.88**
14	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries, Wages, Bonus	1,23,467.28	1,30,978.38
	Payroll Taxes	9,447.44	9,821.11
	TOTAL	**1,32,914.72**	**1,40,799.49**
15	**OTHER EXPENSES**		
	Rent	2,508.00	2,508.00
	Rates and Taxes	-	-
	Postage & Delivery	20.82	22.24
	Telecommunication Expenses	4,632.51	7,125.60
	Travelling Expenses	24,976.07	30,918.04
	Legal and Professional Expenses	54,503.00	1,00,495.07
	Subscriptions	15,036.20	15,355.20
	Audit Fees	2,650.00	2,500.00
	Business Development expenses	1,000.00	1,195.00
	Bank Commission and Charges (Incl ECGC)	772.77	732.72
	Miscellaneous Expenses	6,201.15	2,441.00
	TOTAL	**1,12,300.52**	**1,63,292.87**
16	**Tax Expenses**		
	-Current tax	-	-
	-Deferred Tax	-	4,418.43
	Total Income tax expenses recognised in the current year	**-**	**4,418.43**

The income tax expenses for the year can be reconciled to the accounting profit as follows

Profit/(Loss) before Tax	(1,32,137.86)	(2,18,233.55)
Income tax Expenses calculated at prevailing slab rate	(27,748.95)	(68,361.08)
Deferred tax assets on carried forward loss not recognised	27,748.95	63,942.65
Slab Rate adjustment		
Total Income tax expenses recognised in the current year	**-**	**(4,418.43)**

NOTE : '17'

Except for the ongoing business commitments against which no loss is expected, there have been no known contingent liabilities or commitments as at the Balance Sheet date.

NOTE : '18 ' RELATED PARTY TRANSACTION

Disclosures as required by INDAS are given below:

Sr. No.	Name of Related Parties	Nature of Relationship
1	Kalpataru Power Transmission Limited- India	Holding Company
2	Manish Mohnot	Key Management Personnel
3	D. B. Patel	Key Management Personnel
4	Maharshi C. Mehta	Key Management Personnel

Nature of Transaction	Key Management Personnel	Holding Company	Total
Transactions during the year			
Services Provided	**-**	**1,13,148.62**	**1,13,148.62**
	-	(86,318.93)	(86,318.93)
Salary and other benefits			
Maharshi C. Mehta	**1,23,467.28**	**-**	**1,23,467.28**
	(1,30,978.38)	-	(1,30,978.38)
Balance as at 31st March			
Receivables	**-**	**1,08,877.23**	**1,08,877.23**
	-	(1,83,129.00)	(1,83,129.00)
Previous Year Figures are in Bracket			

NOTE : '19'

The value of realization of Current Assets in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

NOTE : '20'

Basic and Diluted earnings per share [EPS]

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Profit / (Loss) after tax as per accounts	**(1,32,138)**	(2,22,652)
Weighted average number of shares outstanding	**5,00,000**	5,00,000
Face Value per share in USD	**1.00**	1.00
Basic and Diluted EPS	**(0.26)**	(0.45)

NOTE : '21'

Financial instruments Disclosure

21.1 Capital Management

The Company's objective when managing capital is to:

Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and Maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of total equity (Refer Note 24). The Company is not subject to any externally imposed capital requirements.

Gearing Ratio

The Company has no outstanding debt as at the end of reporting period. Accordingly, the Company has NIL gearing ratio as at March 31, 2018 and March 31, 2017

21.2 Categories of financial instruments **(Amt in USD)**

Particulars	As at 31st March, 2018	As at 31st March 2017
Financial Assets		
Measured at amortised cost		
(i) Trade receivables	1,08,877.23	1,83,129.00
(ii) Cash and cash equivalents	28,762.24	91,937.76
Financial Liabilities		
Measured at amortised cost		
(i) Trade Payables	-	1,650.00
(ii) Other financial Liabilities	2,750.71	3347.39

(b) None of the financial assets and liabilities have been designated as FVTPL or FVTOCI.

21.3 Financial Risk management objectives

The Company's financial assets mainly consist of trade receivables outstanding from holding company. There are no borrowings as on date. Considering this, management is of the view that company is not exposed to any material financial risks viz: market risk, credit risk, interest rate risk and liquidity risk. The Company is not exposed to any currency risk since all its financial assets and liabilities are denominated in USD.

NOTE : '22'

Operating Segment

The Company’s operations fall under single segment namely "sales and services" in relation to Transmission towers. taking into account the risks and returns, the organization structure and the internal reporting systems.

Entity-wide disclosures as required under IND AS 108 are as under:

Company’s significant revenues (more than 90%) are derived from its holding company. The total revenue from such entities amounted to **USD-113,148.62 in 2017-18 and USD-86,318.93 in 2016-17**.

No other single customer contributed 10% or more to the company’s revenue for 2017-18 and 2016-17.

For K. C. Mehta & Co.
Chartered Accountants

For and on behalf of the Board

Neela R. Shah
Partner
Membership No. 045027
Place : Vadodara
Date :15th April 2018

M. C. Mehta
Director

Place : Austin Texas
Date :11th April 2018