Granules USA, Inc.

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

Table of Contents

Independent Accountant's Review Report

To Board of Directors,
Granules USA, Inc.

We have reviewed the accompanying balance sheet of Granules USA, Inc. ('the Company') as at March 31, 2019, and the related statements of income, stockholder's deficit and cash flow for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's responsibility
Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's conclusion
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other matter
As at March 31, 2018, the financial statements were reviewed by other accountants and their report thereon, dated July 12, 2018, stated they were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America.

KNAV P.A.

Atlanta, Georgia
May 29, 2019

Financial Statements

Balance sheets

(All amounts are in United State Dollars, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	382,891	1,309,135
Accounts receivable, net	7,739,343	15,606,258
Inventories	8,006,980	9,882,748
Prepaid expenses and other current assets	187,296	149,934
Total current assets	**16,316,510**	**26,948,075**
Property & equipment, net	82,274	114,616
Intangible assets, net	226	437
Deferred tax assets	605,188	-
Other assets	37,088	37,088
Total assets	**17,041,286**	**27,100,216**
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable	17,088,287	25,268,722
Other current liabilities	340,772	473,844
Total current liabilities	**17,429,059**	**25,742,566**
Deferred tax liabilities	-	30,782
Total liabilities	**17,429,059**	**25,773,348**
Stockholder's equity		
Common stock	70,000	70,000
Additional paid in capital	180,000	180,000
Accumulated deficit	(637,773)	1,076,867
Total stockholder's (deficit) equity	**(387,773)**	**1,326,867**
Total liabilities and stockholder's (deficit) equity	**17,041,286**	**27,100,216**

(The accompanying notes are an integral part of these financial statements)

(See independent accountant's review report)

Statements of (loss) income

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

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	53,326,586	62,262,854
Less: Cost of revenue	49,806,409	57,158,554
Gross profit	**3,520,177**	**5,104,300**
Operating cost and expenses		
Selling, general and administrative expenses	6,016,709	4,498,450
Depreciation and amortization	35,495	44,264
Total operating cost and expenses	**6,052,204**	**4,542,714**
Operating (loss) profit	**(2,532,027)**	**561,586**
Other income		
Interest income (expense)	523	(599)
Other income	134,160	42,808
(Loss) profit before taxes	**(2,397,344)**	**603,795**
Income tax expense		
Current tax expenses	(46,734)	276,256
Deferred tax benefit	(635,970)	(12,766)
Net (loss) profit	**(1,714,640)**	**340,305**

(The accompanying notes are an integral part of these financial statements)

(See independent accountant's review report)

Statement of stockholder's equity (deficit)

(All amounts are in United States Dollars, except number of shares)

Particulars	Common stock Shares	Common stock Amount	Additional paid in capital	Accumulated deficit	Total stockholder's equity (deficit)
Balance as at April 01, 2017	**700,000**	**70,000**	**180,000**	**736,563**	**986,563**
Net profit for the year ended	-	-	-	340,304	340,304
Balance as at March 31, 2018	**700,000**	**70,000**	**180,000**	**1,076,867**	**1,326,867**
Balance as at April 01, 2018	**700,000**	**70,000**	**180,000**	**1,076,867**	**1,326,867**
Net loss for the year ended	-	-	-	(1,714,640)	**(1,714,640)**
Balance as at March 31, 2019	**700,000**	**70,000**	**180,000**	**(637,773)**	**(387,773)**

(The accompanying notes are an integral part of these financial statements)

(See independent accountant's review report)

Statements of cash flows

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

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities		
Net (loss) profit	(1,714,640)	340,304
Adjustments to reconcile net (loss) income to net cash used in operating activities		
Depreciation and amortization	35,495	44,264
Deferred tax benefit	(635,970)	(12,766)
Provision for doubtful debts	187,800	-
Changes in current assets and current liabilities		
Accounts receivable, net	7,679,115	(2,455,412)
Inventories	1,875,767	(2,001,599)
Prepaid expenses and other current assets	(37,362)	(123,798)
Accounts payable	(8,180,435)	4,032,004
Other current liabilities	(133,072)	50,615
Net cash used in operating activities	**(923,290)**	**(126,388)**
Cash flow from investing activities		
Purchase of property and equipment	(2,942)	-
Net cash used in investing activities	**(2,942)**	**-**
Cash flow from financing activities		
Loans and advances	-	(36,825)
Net cash used in financing activities	**-**	**(36,825)**
Net decrease in cash and cash equivalents during the year	(926,244)	(163,213)
Cash and cash equivalents at the beginning of the year	1,309,135	1,472,353
Cash and cash equivalents at the end of the year	**382,891**	**1,309,140**
Supplemental cash flow information		
Income tax paid	-	-
Interest paid	-	-

(The accompanying notes are an integral part of these financial statements)

(See independent accountant's review report)

Notes to Financial Statements

(All amounts are in United State Dollars, unless otherwise stated)

NOTE A - NATURE OF OPERATIONS

Granules USA, Inc ("Granules" or "the Company") was incorporated on March 5, 2003 in Delaware. Granules is a wholly owned subsidiary of Granules India Limited "GIL", a company incorporated in India.

Granules acts as an exclusive front-end value chain for GIL and develops markets for the products manufactured by GIL. The business of GIL comprises of manufacture and sale of pharmaceutical products.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements are as follows:

1. *Basis of preparation*

   a. The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States ('US GAAP') to reflect the financial position, results of operations and cash flows of the Company.

   b. All amounts are stated in United States dollars, except as otherwise specified.

   c. These financial statements are presented for the year ended March 31, 2019 and March 31, 2018.

2. *Estimates and assumptions*

   The preparation of financial statements and related disclosures in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of property, machinery and equipment, allowances for doubtful accounts, recognition of deferred tax assets, amortization period of intangibles, inventories, and provision for employee benefit obligations, income tax uncertainties, and other contingencies. The estimates are made using historical information and other relevant factors available to management. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision in accounting estimate are recognized prospectively in the current and future period.

3. *Cash and cash equivalents*

   The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. The Company believes it is not exposed to any significant risk on cash and cash equivalents.

4. *Accounts receivable & allowance for doubtful accounts*

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and the customers' financial condition, the amounts of receivables in dispute, and the current receivables ageing and current payment patterns. The Company reviews its allowance for doubtful accounts monthly. Past due balances over 180 days and over a specified amount are reviewed individually for collectability. Allowance for doubtful accounts is included in marketing and selling expenses in the statement of income. The Company charges off uncollectable amounts against the reserves in the period in which it determines they are uncollectable.

5. *Property and equipment*

Property and equipment are stated at cost less accumulated depreciation and impairment. Cost of items of property, and equipment comprises cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

The Company depreciates property and equipment over the estimated useful life using the straight-line method. Expenditures for maintenance and repairs are charged to expense. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited to statements of income (loss).

The estimated useful lives used to determine depreciation are:

Nature of assets	Estimated useful life of assets
Furniture and fixtures	3 to 7 years
Office equipment	3 to 5 years
Equipment	3 to 7 years
Vehicles	5 years
Leasehold improvements	15 years

6. *Intangible assets*

The Company amortizes intangible assets over their estimated useful lives unless such lives are determined to be indefinite. Amortizable intangible assets are amortized over their estimated useful lives in proportion to the economic benefits consumed in each period. Intangible assets with indefinite lives are tested at least annually for impairment and written down to the fair value as required.

Nature of assets	Estimated useful life of assets
Technical know how	10 years

7. *Impairment of long-lived assets*

Long-lived assets, including certain identifiable intangible assets, to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Such assets are considered to be impaired if the carrying amount of the assets is higher than the future undiscounted net cash flows expected to be generated from the assets. The impairment amount to be recognized is measured by the amount by which the carrying value of the assets exceeds its fair value.

8. *Revenue recognition*

Customers of the Company consist primarily of large pharmaceutical companies. Revenue from product sales is recognized when merchandise is shipped to customers and all the four of the following criteria are met: (i) persuasive evidence that an arrangement exists; (ii) delivery of the products has occurred; (iii) the selling price is both fixed and determinable and; (iv) collectability is reasonably probable.

Provisions for sales discount, damaged product returns, exchanges of expired products are established as a reduction of product sales revenue at the time such revenues are recognized. Certain charge backs and rebate programs extended to customers pursuant to the industry standards, are recognized as a reduction from product sales revenue at the time of shipment.

9. *Leases*

The Company accounts for the lease of its office space as an operating lease. The related rentals are charged to expense based on the lease agreement in the period it is incurred.

10. *Income taxes*

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. 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 income in the period that includes the enactment date. A valuation allowance is recorded for deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. ASC 740 also provides guidance on measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. All deferred tax assets and liabilities, along with any related valuation allowance, is classified as non-current on the balance sheets.

The Company recognizes liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company recognizes interest and penalties related to uncertain tax positions within the provision for income taxes.

11. *Commitments and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigations, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but disclosed in notes. Contingent assets are neither recognized nor disclosed.

12. *Retirement and employee benefits*

Contribution to defined contribution plans are charged to statements of income (loss) in the year in which they accrue.

13. *Fair value measurements and financial instruments*

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – Unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, borrowings under line of credit and accrued liabilities. The estimated fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

14. *Recent accounting pronouncements*

Effective December 15, 2017, FASB issued ASU 2014-09 Revenue from Contracts with Customers and related updates. This guidance replaces most existing revenue recognition guidance in U.S. GAAP. The core principle of the ASU is that an entity should recognize revenue for the transfer of goods or services equal to the amount that it expects to be entitled to receive for those goods or services. The ASU requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. The guidance allows for both retrospective and modified retrospective methods of adoption.

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU is the result of a joint project of the FASB and the International Accounting Standards Board ("IASB") to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and IFRS. The guidance in this ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards.

The ASU provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should apply the following five-step process to recognize revenue:

Step 1: Identify the contract with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

For non-public entities, the amendments of ASU No. 2014-09 are effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15,

2019. Early application is permitted only as of (a) an annual reporting period beginning after December 15, 2016, including interim periods within that reporting period; (b) an annual reporting period beginning after December 15, 2016, and interim periods within annual periods beginning after December 15, 2017; or (c) an annual reporting period beginning after December 15, 2017, including interim periods within that reporting period. The Company will adopt the new guidance using the modified retrospective transition approach, reflecting the cumulative effect of initially applying the new standard to revenue recognition in the year ended March 31, 2020.

In February 2016, the FASB issued ASU 2016-02, Leases, which requires lessees to recognize right-of-use assets, representing their right to use the underlying asset for the lease term, and lease liabilities on the balance sheet for all leases with terms greater than 12 months. The guidance also requires qualitative and quantitative disclosures designed to assess the amount, timing and uncertainty of cash flows arising from leases. The standard requires the use of a modified retrospective transition approach, which includes a number of optional practical expedients that entities may elect to apply. The guidance is effective for annual periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. Early adoption is permitted. The Company is currently evaluating the impact of the same.

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	As at March 31, 2019	As at March 31, 2018
Bank balance	382,891	1,309,135
Total	**382,891**	**1,309,135**

Cash balances on deposits with banks in the United States are insured by the Federal Deposit Insurance Corporation up to an aggregate of $250,000.

NOTE D - ACCOUNTS RECEIVABLE, NET

The Company maintains an allowance for doubtful debts on all accounts receivable, based on present and prospective financial condition of the customer and aging of accounts receivable after considering historical experience and the current economic environment.

Accounts receivable, net comprise the following:

	As at March 31, 2019	As at March 31, 2018
Due from customers	7,927,143	15,602,938
Due from related parties	-	3,320
Less: allowance for doubtful debts	(187,800)	-
	7,739,343	**15,606,258**

The movement in allowance for doubtful debts during the year is as under:

	Year ended March 31, 2019	Year ended March 31, 2018
Beginning balance	-	-
Add: During the year provision	187,800	-
Less: During the year write off	-	-
Closing balance	**187,800**	**-**

NOTE E - INVENTORIES

Inventories comprise the following:

	As at March 31, 2019	As at March 31, 2018
Raw material	362	14,601
Packaging material	265,747	91,419
Finished goods	7,740,871	9,776,728
Total	**8,006,980**	**9,882,748**

NOTE F - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid and other current assets comprise the following:

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	13,384	58,371
Advance tax	174,400	6,213
Loans and advances	-	85,350
Total	**187,784**	**149,934**

NOTE G - PROPERTY & EQUIPMENT, NET

Property & equipment, net, comprises the following:

	As at March 31, 2019	As at March 31, 2018
Vehicle	45,970	45,970
Furniture and fixtures	61,368	63,142
Leasehold improvements	26,952	26,952
Pharmaceutical equipment	65,309	65,309
Office equipment	56,365	51,650
Less: Accumulated depreciation	(173,690)	(138,406)
Total	**82,274**	**114,617**

Depreciation expense for the year ended March 31, 2019 and year ended March 31, 2018 was $35,284 and $44,016, respectively

NOTE H - INTANGIBLE ASSETS, NET

Intangible assets, net comprises the following:

	As at March 31, 2019	As at March 31, 2018
Technical know how	4,474	4,474
Less: Accumulated amortization	(4,248)	(4,037)
Total	**226**	**437**

Amortization expense for the year ended March 31, 2019 and March 31, 2018 is $211 and $248.

NOTE I - OTHER CURRENT LIABILITIES

Other current liabilities comprise the following:

	As at March 31, 2019	As at March 31, 2018
Employee benefits	277,136	90,000
Statutory liabilities	3,226	-
Loans and advances	6,482	-
Advance from customer	1,730	113,102
Other payables & provisions	52,198	270,742
Total	**340,772**	**473,844**

NOTE J - RETIREMENT BENEFITS

The Company has a 401(k) defined contribution plan. Under the plan, each employee can elect to participate after meeting the minimum age requirement and other eligibility requirements set forth in the Adoption Agreement. The Company makes a matching contribution to the plan up to 2% of employee wages for those electing to participate in the plan. The total employer contribution for the year ended March 31, 2019 and March 31, 2018, was $34,843 and $31,861. The 401(k) contributions are charged to expense in the period in which they are incurred.

NOTE K - INCOME TAXES

The Company files federal and state tax returns as per regulations applicable to Chapter C corporations in the United States.

The components of the provision for income taxes are as follows:

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
Federal	(36,535)	209,355
State	(10,199)	66,901
Deferred tax		
Federal	(512,603)	(10,867)
State	(123,368)	(1,899)
Income tax (benefit) expense	**(682,704)**	**263,490**

The items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income taxes are as follows:

	Year ended March 31, 2019
Income tax at federal rate	(493,523)
Federal return to provision	(36,535)
State return to provision	(10,699)
State tax, net of federal effect	(123,845)
Permanent differences	(8,869)
Impact on deferred tax due to change in tax rate	(9,233)
	(682,704)

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

	As at March 31, 2019	As at March 31, 2018
Deferred tax liability		
- Property and equipment	(16,833)	(30,782)
	(16,833)	**(30,782)**
Deferred tax assets		
- Net operating losses	490,655	-
- Accrued bonus	62,724	-
- Provision for stock expiry	6,990	-
- Provision for bad debts	49,082	-
- Qualified charitable contributions	12,571	-
	622,021	**-**
Net deferred taxes	605,188	(30,782)
Less: valuation allowances	-	-
Total	**605,188**	**(30,782)**

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

The Company has recognized deferred tax asset and deferred tax liability of $605,188 and $30,872, respectively, as of March 31, 2019 and March 31, 2018 on account of temporary differences arising out for tax purposes. The Company has federal net operating losses of $1,877,947 as at March 31, 2019. The net operating losses generated during the year ended March 31, 2019 will be carry forwarded indefinitely.

The Company has state net operating loss carryforwards of approximately $1,875,094 as at March 31, 2019, which if unutilized will expire based on the state statutes.

Accounting for uncertain tax positions

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. Interest and penalties, if incurred, are recognized in the statement of income (loss).

The Company has no unrecognized tax positions at March 31, 2019 and March 31, 2018.

The tax years of 2015 through 2017 remain subject to examination by the taxing authorities.

NOTE L - COMMITMENTS AND CONTINGENCIES

The Company leases the premises under the long-term operating lease arrangement. The Company entered into a lease for the new premises on November 01, 2014 for a lease period of 88 months. The rent expense for office space was $80,422 and $79,133 for the years ended March 31, 2019 and 2018, respectively.

Future minimum payments under non-cancelable operating leases for the fiscal years ending March 31 are as follows:

Year ending March 31	Amount ($)
2020	80,625
2021	82,238

NOTE M - RELATED PARTY TRANSACTIONS

A. List of related parties with whom transactions have taken place:

No	Name of the party	Nature of relationship
1	Granules India Limited	Parent company
2	Granules Pharmaceuticals, Inc.	Affiliate company

B. The Company had transactions in the ordinary course of business with the following related parties:

	March 31, 2019	March 31, 2018
Granules India Limited		
Transaction during the year ended		
- Purchase of goods	44,728,840	57,125,237
- Expenses incurred for the Company	15,000	-
Balance		
- Payable as at	14,589,548	24,873,050
Granules Pharmaceuticals, Inc		
Transaction during the year ended		
- Sale of goods	31,770	6,500
- Expenses incurred for the Company	27,241	
Balance		
- Receivable as at	-	3,320

NOTE N - STOCKHOLDER'S EQUITY

The Company had an authorized capital of 2,500,000 shares of its common stock, at $0.10 par value per share at the beginning of the year. The Company had 700,000 common stock issued and outstanding as of March 31, 2019 and March 31, 2018. There were no shares issued during the year ended March 31, 2019 and March 31, 2018.

NOTE O - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2019 up through May 29, 2019, the date the financial statements are issued. Based on the evaluation, there are no material effects of the same on the financial statement as on May 29, 2019, that would require recognition or disclosure.