

VADILAL INDUSTRIES (USA) INC.

ACCOUNTANT'S REVIEW REPORT
2014-15

VADILAL INDUSTRIES (USA) INC.

For the year ending March 31, 2015

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C & P

Certified Public Accountants

To:
The Board of Directors and Shareholders of
Vadilal Industries (USA) Inc.

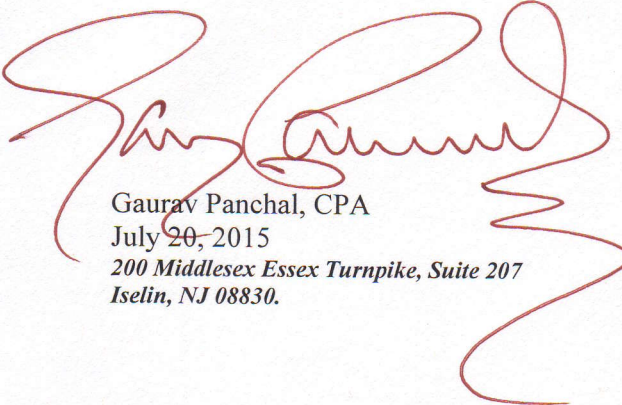
INDEPENDENT ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying balance sheet of Vadilal Industries (USA) Inc. as at March 31, 2015 and the related statement of income, retained earnings and schedules thereto and the statements of cash flows for year ending March 31, 2015, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Vadilal Industries (USA) Inc.

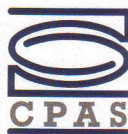
A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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 conformity with accounting principles generally accepted in the United States of America.

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying financial statements is presented only for supplementary analysis purposes. Such Information has not been subjected to the inquiry and analytical procedure applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.



Gaurav Panchal, CPA
July 20, 2015
200 Middlesex Essex Turnpike, Suite 207
Iselin, NJ 08830.



VADILAL INDUSTRIES (USA) INC.
BALANCE SHEET AS OF MARCH 31, 2015

ASSETS

Current Assets

Cash & Cash Equivalents	\$ 48,840
Accounts Receivable	262,262
Inventory	242,124
Loans Receivables	2,010

Total Current Assets	555,236
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Fixed Assets

Equipments (net of depreciation)	1,976
Computer (net of depreciation)	804
Furniture & Fixtures (net of depreciation)	87
Vehicles (net of depreciation)	657

Total Fixed Assets	3,524
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Other Assets

Security Deposits	6,848
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Total Other Assets	6,848
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TOTAL ASSETS	\$ 565,607
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LIABILITIES AND SHAREHOLDER'S EQUITY

Current Liabilities

Accounts Payable	\$ 574,813
Accrued Expenses & Taxes Payable	143,596

Total Current Liabilities	718,409
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Long Term Liabilities

Loan from Shareholder	383,000
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Total Long Term Liabilities	383,000
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Shareholder's Equity

Common stock, no par value	225,000
Retained Earnings/(Loss)	(760,802)

Total Shareholder's Equity	(535,802)
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TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 565,607
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See accountant's review report and notes to financial statements.

VADILAL INDUSTRIES (USA) INC.
STATEMENT OF OPERATIONS
For the year ending March 31, 2015

Net Sales	\$ 666,001
Cost of Goods Sold	(539,364)
Gross Profit	<u>126,637</u>
Operating Expenses	356,249
Depreciation	4,652
Net Operating Profit/(Loss)	<u>(234,264)</u>
Other income	-
Income Taxes incl. Provisions	(1,500)
Net Profit/(Loss)	<u>\$ (235,764)</u>

See accountant's review report and notes to financial statements.

VADILAL INDUSTRIES (USA) INC.
STATEMENT OF CASH FLOWS
For the year ending March 31, 2015

Cash flows from operating activities

Net Loss		\$ (235,764)
Depreciation		4,652

Adjustment to reconcile net loss to net cash provided by operating activities
Changes in assets and liabilities

Accounts receivable	\$ 57,872	
Inventories	40,581	
Loans Receivables	(2,010)	
Security deposit	-	
Accounts payable	35,099	
Accrued expenses and taxes	<u>110,390</u>	<u>241,932</u>

Net cash provided by operating activities		10,820
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Cash flows from investing activities

Purchase of Assets	(2,003)	
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Net cash provided by investing activities		(2,003)
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Cash flows from financing activities

Net increase in loans payable	-	
Capital Stock increase	-	
Loan from shareholder	<u>-</u>	

Net cash provided by financing activities		<u>-</u>
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Net change in cash		8,817
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Cash at beginning		40,023
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Cash at End		<u><u>\$ 48,840</u></u>
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See accountant's review report and notes to financial statements.

VADILAL INDUSTRIES (USA) INC.

**NOTES TO FINANCIAL STATEMENTS
For the year ending March 31, 2015**

Note 1 Organization and nature of business

Vadilal Industries (USA) Inc. (the "Company") is a wholly owned subsidiary of Vadilal Industries Limited, a company based in India. The Company was incorporated in the State of New Jersey on August 11, 2009. The Company is an importer and wholesaler of frozen food products whose customers are located primarily the United States of America.

Note 2 Summary of significant accounting policies

Basis of accounting

The Company's accounting policies are in accordance with accounting principles generally accepted in the United States of America. Outlined below are those policies considered particularly significant.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that could affect the amounts reports in the financial statements and accompanying notes. Actual results could differ from these estimates.

Concentration of credit risk

Financial instruments, which potentially subject the Company to significant concentrations of credit risk, include cash and accounts receivable. The Company holds no collateral for these financial instruments. The Company maintains cash in financial institutions that are insured by the Federal Deposit Insurance Corporation up to a specified amount. Such cash balances at times may exceed these limits. To minimize its credit risk with respect to accounts receivable, management monitors the creditworthiness of the customers and reviews the outstanding receivables at period end, as well as establishes an allowance for doubtful accounts as deemed necessary.

VADILAL INDUSTRIES (USA) INC.

**NOTES TO FINANCIAL STATEMENTS
For the year ending March 31, 2015**

**Note 2
Contd.**

Summary of significant accounting policies (continued)

Accounts receivable

Accounts receivable are stated at original amount less allowances for doubtful accounts and credits. The allowances for doubtful accounts and credits are determined through an analysis of the aging of accounts receivable at the date of the financial statements, assessments of collectability based on an evaluation of historic and anticipated trends, the financial condition of the Company's customers, and an evaluation of the impact of economic conditions. At March 31, 2015, the management has determined that allowances for doubtful accounts and credits are not required.

Inventories

Inventories are stated at the lower of cost or market, with cost being determined under the FIFO (First-in, First-out) method.

Long-lived assets

The Company periodically evaluates the carrying value of long-lived assets to be held and used whenever events and circumstances indicate that the carrying value of the asset may no longer be recoverable. An impairment loss, measured based on the fair value of the asset, is recognized if expected future undiscounted cash flows are less than the carrying value of the assets.

Revenue recognition

Sales are recorded when merchandise is shipped and title and risk of loss are transferred to customers. Sales are recorded net of estimated discounts, returns and allowances which are estimated based on historic trends and an evaluation of current economic conditions.

Shipping and handling costs

The Company includes shipping and handling costs associated with outbound freight in operating expenses. For the year ending March 31, 2015, shipping and handling costs amounted to \$47,346.

VADILAL INDUSTRIES (USA) INC.

NOTES TO FINACIAL STATEMENTS
For the year ending March 31, 2015

Note 2
Contd.

Summary of significant accounting policies (continued)

Income taxes

The Company provides for income taxes based on differences between the financial statement and tax bases of assets and liabilities at enacted rates in effect in the years in which the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company has adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes". The Company does not believe it has any uncertain tax positions that would qualify for either recognition or disclosure in the financial statements.

The Company has adopted SFAS No. 165, "Subsequent Events". The Company evaluated the need for disclosure and/ or additional adjustments resulting from subsequent events through June 6, 2015, the date the financial statements were available to be issued. The Company did not identify any further subsequent events that required disclosure and / or adjustments in the financial statements.

The Company does not anticipate the adoption of the other recently issued accounting pronouncements to have a significant impact on the Company's financial statements.

Note 3

Inventories

At March 31, 2015 inventories amounting \$242,124 consisted frozen food products.

Note 4

Depreciation

At March 31, 2015, the Company has provided for depreciation on straight line basis while in the United States of America under the income tax rules, depreciation is calculated under MACRS method. The difference between two methods will decrease loss reported under income taxes by \$ 2,029.

VADILAL INDUSTRIES (USA) INC.

**NOTES TO FINANCIAL STATEMENTS
For the year ending March 31, 2015**

Note 5 Income taxes

For the year ending March 31, 2015, the net provision for income taxes of \$1,500 consisted of the following:

	Federal	State and local	Total
Current	\$ -	\$1,500	\$1,500
Deferred	-	-	-
	\$ -	\$1,500	\$1,500

At March 31, 2013, there were no significant components of the net deferred tax assets.

Note 6 Related party transactions and balances

In the ordinary course of business, the company had the following related party transactions and balances:

Net purchases	\$ 435,111
Accounts payable	\$ 569,889

Note 7 Major Supplier

For the year ending March 31, 2015, purchases from one vendor represented about 82% of net purchases.

VADILAL INDUSTRIES (USA) INC.

STATEMENT OF OPERATING EXPENSES
For the year ending March 31, 2015

Operating Expenses:

Salaries	\$91,500
Rent	132,761
Telephone	2,378
Office Expenses	24,371
Travel Expenses	20,504
Insurance	8,830
Advertising	2,392
Payroll Taxes	9,956
Bank Charges	806
Legal Fees	5,000
Repairs & Maintenance	4,856
Security Expenses	320
Delivery & Shipping	47,346
Temporary Help	2,259
Licenses & Permits	2,970
Total Operating Expenses	\$356,249

See accountant's review report and notes to financial statements