BKT USA INC.

FINANCIAL STATEMENTS

MARCH 31, 2021 AND 2020

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MARCH 31, 2020 AND 2019

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors and Stockholders of
BKT USA INC.

We have reviewed the accompanying financial statements of BKT USA Inc. (the "Company") which comprise of balance sheets as of March 31, 2021 and 2020, and the related statements of operations and retained earnings and statements of cash flows for the years then ended and related notes to the financial statements. 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 the 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 engagements 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 reviews, 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.

Supplementary Information

The accompanying supplementary information included on page 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our reviews of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information, and do not express an opinion on such information.

Adoption of New Accounting Pronouncements

As discussed in Note 1 to the financial statements, the Company adopted Accounting Standards Codification Topic 606, Revenue from Contracts with Customers ("ASC 606"), as of April 1, 2020, using the modified retrospective transition method. Our conclusion and opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 7 to the financial statements, during calendar year 2020, the World Health Organization had declared COVID-19 to constitute a "Public Health Emergency of International Concern." Given the uncertainty of the situation, the duration of any business disruption and related financial impact cannot be reasonably estimated at this time; however, we expect the impact will be material. Our report is not modified with respect to this matter.

anurag patel & associates, LLC

Certified Public Accountants

Holmdel, New Jersey
May 4, 2021

BKT USA, INC.
BALANCE SHEETS

MARCH 31,		2021		2020
ASSETS				
Current Assets				
Cash	$	754,734	$	373,338
Accounts receivables, related party		426,527		567,750
Prepaid expenses		27,943		18,276
Due from affiliates		30,825		126,851
Prepaid taxes		6,619		-
Total Current Assets		1,246,648		1,086,215
Property and Equipment, net		169,036		155,672
Other Assets, Security deposits		-		3,537
TOTAL ASSETS	$	1,415,684	$	1,245,424
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current Liabilities				
Accounts payable	$	179,707	$	101,297
Accrued expenses		-		8,080
Deferred tax liability		9,606		
Income taxes payable				80,211
Total Current Liabilities		189,313		189,588
Total Liabilities		189,313		189,588
Commitment & Contingences (Notes 6 & 7)				
Stockholder's Equity				
Common stock, $1.00 par value, 1,500 shares authorized, 1,500 issued and outsanding		1,500		1,500
Retained earnings		1,224,871		1,054,336
Total Stockholder's Equity		1,226,371		1,055,836
Total Liabilities and Stockholder's Equity	$	1,415,684	$	1,245,424

BKT USA, INC.
STATEMENTS OF OPERATIONS & RETAINED EARNINGS

FOR THE YEAR ENDED MARCH 31,	2021	2020
Revenue	$ 4,744,373	$ 5,637,768
Operating Expenses	4,488,925	5,373,316
Net Earnings from operations	255,448	264,452
Other Income/(expense)		
Interest Income	176	230
Depreciation & amortization	(21,351)	(5,871)
Loss on Retirement of assets	(7,003)	-
Total Other Expense, net	(28,178)	(5,641)
Net Earnings before Income Taxes	227,270	258,811
Provision for Income taxes	(56,735)	(82,460)
Net Earnings	170,535	176,351
Retained Earnings - April 1,	1,054,336	877,985
Retained Earnings - March 31,	$ 1,224,871	$ 1,054,336

BKT USA, INC.
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31,		2021		2020
Cash Flows from Operating Activities				
Net income	$	170,535	$	176,351
Adjustments to reconcile net income to net				
Cash used in operating activities,				
Depreciation and amortization		21,351		5,871
Deferred taxes		9,606		
Loss on Retirement of assets		7,003		
Changes in current assets and liabilities:				
Accounts receivable		141,223		(62,229)
Prepaid expense		(9,667)		106,480
Prepaid taxes		(6,619)		-
Accounts payable and accrued expenses		70,330		(56,600)
Income taxes payable		(80,211)		77,967
Net Cash Provided By Operating Activities		323,551		247,840
Cash Flows from Investing Activities				
Receipt of security deposits		3,537		-
Due from affiliates		96,026		(50,951)
Purchase of property and equipment		(41,718)		(139,734)
Net Cash Provided by/(Used in) Investing Activities		57,845		(190,685)
Net Increase in Cash		381,396		57,155
Cash - Beginning of the Year		373,338		316,183
Cash - End of the Year	$	754,734	$	373,338
Supplemental Disclosure of Cash Flow Information:				
Taxes paid	$	136,946	$	4,493

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies of BKT USA Inc. (the "Company") consistently applied is presented to assist in understanding the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America.

1. *Nature of Business*

The Company was incorporated in the State of Ohio on April 1, 2009 for the purpose of being the North American Sales and Marketing Office for Balkrishna Industries Ltd., one of the world's leading manufacturers of "off-highway tires" in India. Balkrishna Industries Ltd. produces tires for the niche tire segments of agriculture, construction, industrial, earthmover, all-terrain vehicles and turf care application markets.

The Company is a wholly owned subsidiary of Balkrishna Industries, Ltd. (the "Parent"). The Parent is organized under the laws of India. As described in Note 3, the company has significant transactions with the Parent.

2. *Concentration of Credit Risk*

The Company maintains its cash balances at a financial institution, which, at times may exceed federally insured limits. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf.

3. *Revenue Recognition*

The Company recognizes revenue in the period earned under the terms of the relevant agreements.

The Company adopted ASC 606- Revenue from Contracts with Customers ("ASC Topic 606") from the year beginning April 1, 2020. The guidance requires that an entity recognize revenue to depict the transfer of promised goods or service to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance requires an entity to follow a five-step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when the entity satisfies a performance obligation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Revenue Recognition (continued)

The following table summarizes the Company's revenues from contracts with customers:

Revenue type	Services
Customer	Parent, an affiliated entity
Performance obligation	Marketing services
Performance obligation satisfied over time/point in time	Over time
Variable or fixed consideration	Variable consideration
Payment terms	Monthly in arrears or prepaid
Subject to return once recognized	No
Classification of uncollected amounts	Marketing fees receivable

4. Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are provided for, using straight-line and accelerated methods, in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Repairs and maintenance are charged to operations as incurred.

5. Income Taxes

The Company accounts for income taxes pursuant to the asset and liability method which requires deferred income tax assets and liabilities to be computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. The effect on deferred tax assets and liabilities of a change in tax rate is recognized as income in the period that includes the enactment date.

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. For the year ended March 31, 2021 and 2020, no provision for unrecognized tax benefits has been recorded.

With few exceptions, the Company is no longer subject to U.S. federal, state, and local income tax examinations by tax authorities for years before 2015.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

7. Recently adopted accounting pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended (commonly referred to as "ASC 606") which requires an entity to 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. ASC 606 replaces most existing revenue recognition guidance in GAAP, including industry specific guidance, when it becomes effective. For annual reporting periods, this standard is effective for the Company on April 1, 2020 and for interim periods within annual periods that begin one year later. The standard permits the use of either the retrospective or cumulative-effect transition method. The Company is currently completing its initial assessment of ASC 606 and anticipates that the standard will have no impact on the Company's financial statements and related disclosures.

Since the Company's revenues are primarily derived from fees for marketing services rendered. The Company does not anticipate that the adoption of ASC 606 will have a significant impact on its recognition of these revenues.

8. Subsequent events

The Company has evaluated subsequent events through May 4, 2021, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at March 31:

	Estimated Useful Lives (Years)	Amount 2021	Amount 2020
Computer Equipment	5	$ 13,528	$ 37,463
Office Equipment	5	21,620	1,256
Furniture and Fixtures	7	37,937	15,954
Leasehold Improvements	15	121,895	148,545
		194,980	203,218
Less Accumulated Depreciation		(25,944)	(47,546)
		$ 169,036	$ 155,672

Depreciation expense on property and equipment for the year ended March 31, 2021 and 2020 was $21,351 and $5,871 respectively.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company receives all of its marketing services revenue from its Parent based upon reimbursement of expenditures plus a standard markup percentage. The Company recognized $4,744,373 and $5,637,768 in revenue from the parent for services performed for the year ended March 31, 2021 and 2020. The amount due from parent under this agreement was $426,527 and $567,750 at March 31, 2021 and 2020 respectively, and included in accounts receivable, related party.

The company also purchased marketing materials from its Parent in the amount of $0 and $1,104 for the period ended March 31, 2021 and 2020. The amount due to Parent at March 31, 2021 and 2020 was $0 and $1,104 respectively. All accounts payable to the parent have been netted against the accounts receivable, related party.

NOTE 4 – INCOME TAXES

The provision for income taxes for the year ended March, 31 2021 and 2020 is summarized as follow:

	2021	2020
Current		
Federal	$ 40,381	$ 58,621
State	6,748	23,839
Total current income taxes	$ 47,129	$ 82,460
Deferred		
Federal	9,606	
Total provision for income taxes	$ 56,735	$.

The actual provision for income taxes reflected in the statements of income for the year ended March 31, 2021 and 2020 differs from the provision computed at the Federal statutory tax rates. The principal differences between the statutory income tax and the actual provision for income taxes is summarized as follows:

	2021	2020
Computed income taxes at statutory rate of 21%	$ 47,727	$ 54,350
State and local income taxes, net of federal taxes	6,250	15,800
Increase (decrease) in taxes resulting from:		
Meals and entertainment	2,758	12,310
	$ 56,735	$ 82,460

The company, for Federal income tax purposes, files a consolidated federal income tax return with other entities commonly owned by the company's parent. The actual tax payment may differ from the provision for taxes due to any tax benefit from the other subsidiaries.

NOTE 5 – PENSION PLAN

During the year ended March 31, 2021 and 2020, the Company maintained a contributory profit sharing plan as defined under Section 401(k) of the U.S. Internal Revenue Code covering substantially all U.S. employees. Employees employed after January 1, 2011 who have attained the age of 21 are eligible to participate after completing 1,000 hours of service with the Company. The Company contributed at a rate of 100% of the employee's elective deferral contribution up to a maximum of 3% of the employee's eligible compensation. The plan also provides for discretionary profit sharing contributions to be made at the election of the Company. The Company made no discretionary profit sharing contribution during the year. Total pension plan expense for the year ended March 31, 2021 and 2020 was $66,882 and $62,249 respectively.

NOTE 6 - COMMITMENTS

Lease commitments

Effective May 1, 2020, the company entered in to a new ten year non-cancelable lease agreement for its main office facilities in Copley, OH expiring on April 30, 2030. . Total rent paid under these operating leases for the year ended March 31, 2021 and 2020 was $92,374 and $67,749 respectively.

The Company entered into a lease agreement for a copier machine in June 2015. The term of the lease is five years with a monthly payment of $517 plus overage. This lease expired in May 2020. On March 4, 2020, the company entered into a new lease agreement for a copier machine with a term of thirty nine (39) months. Minimum monthly payments are $0 for the first three (3) months, $50 for next three (3) months and $375 for the balance of thirty three (33) months. Equipment lease expense was $5,695 and $7,072 for the year ended March 31, 2021 and 2020 respectively.

Aggregate future minimum annual rental payments under these leases as of March 31, 2021 are as follows:

Year Ended March 31,	Amount
2022	$ 82,151
2023	83,704
2024	81,538
2025	89,748
2026	91,543
2027 and after	393,121
	$ 821,805

NOTE 7. COVID-19

In March 2020, the World Health Organization had declared COVID-19 to constitute a "Public Health Emergency of International Concern." Disruptions to business operations could occur as a result from quarantines of employees, customers and suppliers in areas affected by the outbreak, and closures of third-party vendor's manufacturing facilities and logistics supply chains. Given the uncertainty of the situation, the duration of the business disruption and related financial impact cannot be reasonably estimated at this time.