

KHUSHAL VIRA
CERTIFIED PUBLIC ACCOUNTANTS
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HAZEL CREST, IL 60429

Report of Independent Auditors

The Board of Directors

Global Pet Films, Inc.

Gaithersburg, MD, USA

We have audited the accompanying financial statements of Global Pet Films Inc., which comprise the balance sheets as of March 31, 2020 and 2019, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion on the Financial Statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Global Pet Films, Inc. as of March 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

A handwritten signature in black ink that reads "Khushal Vira". The signature is written in a cursive, flowing style.

Khushal Vira

Hazel Crest, Illinois

May 31, 2020

GLOBAL PET FILMS, INC.

Balance Sheet

As of March 31, 2019 and March 31, 2020

ASSETS		March 31, 2019		March 31, 2020
Cash in Citibank (A/C # 783)	105,461.53		139,300.95	
Cash in Citibank (A/C # 796)	5,352.68		5,352.68	
Cash in First American Bank (A/C # 2204)	185,358.28		109,201.60	
Cash in First American Bank (A/C # 2218)	94,642.64		286,172.60	
Total Cash in Bank	390,815.13	\$390,815.13	540,027.83	\$540,027.83
Accounts Receivable-MiSc. Customers	430,719.12		2,377,628.33	
Accounts Receivable-GPL Ltd	462,152.29		1,606,105.14	
	892,871.41	892,871.41	3,983,733.47	3,983,733.47
Other Current Assets				
Deposits with Ins Co for Customs Dept.			100,000.00	
Deposits made for rented /Leased Accomodation			2,434.25	
Inventory Asset of Finished Goods -At the end	85.76		85.76	
	85.76	85.76	102,520.01	102,520.01
Fixed Assets				
Date Processing Equipment	3,630.52		3,566.10	
Furniture & Fixtures	0.00		8,623.97	
Total Fixed Assets	3,630.52		12,190.07	
Less:				
Accum Depreciation- Data Processing Equipment	(3,457.53)		(1,849.00)	
Accum Depreciation- Furniture			(1,232.00)	
	(3,457.53)		(3,081.00)	
NET FIXED ASSETS	172.99	172.99	9,109.07	9,109.07
Other Assets		0.00		0.00
		\$1,283,945.29		\$4,635,390.38
LIABILITIES				
Accounts Payable				
Garware Polyester Films	0.00		2,318,898.86	
GPIL (UK)	83,469.00		233,469.00	
Misc. Vendors	45.00		0.00	
	83,514.00	83,514.00	2,552,367.86	2,552,367.86
Other Current Liabilities				
Accrued Expenses		27,478.00		155,519.00
Federal Withholding and FICA Payable	6,633.47		13,837.06	
State Withholding Tax Payable	(6,892.76)		(4,550.56)	
Federal Unemployment Tax Payable	84.00		252.00	
California SDI & Traqing Tax Payable (66.67+383.75)			450.42	
State Unemployment Tax Payable	442.00		1,804.99	
Total Payroll Taxes payable	266.71	266.71	11,793.91	11,793.91
Provision for Federal Income Tax	208,000.00		253,000.00	
Provision for State Income Tax	96,000.00		120,000.00	
	304,000.00	304,000.00	373,000.00	373,000.00
Advance from Customers		109,681.66		172,776.28
Equity Share Capital		100,000.00		100,000.00
Retained Earnings	315,234.19		659,004.92	
Profit for the Current Year	743,770.73		910,928.41	
Sub-Total	1,059,004.92		1,569,933.33	
Less: Dividend paid	(400,000.00)		(300,000.00)	
	659,004.92	659,004.92	1,269,933.33	1,269,933.33
TOTAL LIABILITIES AND EQUITY		\$1,283,945.29		\$4,635,390.38

See accompanying Notes to Financial Statements

GLOBAL PET FILMS, INC.

INCOME STATEMENT FOR THE FISCAL YEAR ENDED MARCH 31, 2019 and March 31, 2020

		March 31, 2019		March 31, 2020
Sales				
Local Sales	16,126,228.91		20,558,753.22	
Export Sales	4,815,323.20		4,924,889.80	
Other Charges recovered from Customers	109,676.20		249,382.00	
TOTAL SALES	21,051,228.31	\$21,051,228.31	25,733,025.02	\$25,733,025.02
Cost of Goods Sold				
Beginning Inventory	85.76		85.76	
Purchases	18,669,793.72		21,189,215.59	
Inward Freight Charges	112,550.29		122,019.35	
Packing Material	20,983.75		0.00	
Warehouse Expenses	21,469.90		52,090.65	
Local Outward Freight and Forwarding charges	593,134.73		758,517.64	
Auxiliary Purchase Cost	(245.74)		42.07	
Custom Duty and Clearing Charges	274,679.40		1,209,086.75	
Ending Inventory	(85.76)		(85.76)	
COST OF GOOGS SOLD	19,692,366.05	\$19,692,366.05	23,330,972.05	23,330,972.05
GROSS PROFIT		\$1,358,862.26		\$2,402,052.97
EXPENSES				
Bank charges	10,837.53		9,456.61	
Credit Card Charges	83,095.18		91,950.39	
Depreciation	236.00		1,887.00	
Donations	4,500.00		12,000.00	
Printing and Stationary Charges	3,786.82		4,116.87	
Legal and Professional fees	49,196.50		18,733.06	
Sales Promotion Expense	94,660.39		143,151.99	
Membership and Subscription fees	350.00		1,408.86	
Auditors Fees	12,000.00		21,000.00	
Licenses & Fees	331.36		350.73	
License Fee			659.00	
Management Accounting fee	130,425.00		150,000.00	
Office Rent	13,815.87		24,451.00	
Repairs and Maintenance	35.31		285.20	
Travel Expense	24,149.00		80,851.87	
Travel Expense-Foreign	2,518.90		10,329.84	
Insurance Expenses	26,499.00		23,679.00	
Office Expenses (Admin and General Expenses)	1,775.90		4,610.44	
Postage and Delivery	176.20		66.24	
Telephone Expense	10,056.29		19,250.30	
Gross Wages and Salaries	121,615.46		475,842.48	
Payroll Taxes (Fica and Medicare)	13,218.11		32,266.34	
Payroll Taxes--SUTA Tax-CA State			699.99	
Payroll Taxes--SUTA Tax-MD State			1,308.23	
Payroll Taxes-FUTA Tax			328.84	
TOTAL EXPENSES	603,278.82	603,278.82	1,128,484.28	1,128,484.28
Operating Profit		\$755,583.44		\$1,273,568.69
Other Income and Expenses				
Interest Income	3,571.13		2,371.08	
Custom Duty Refunds	296,977.98		5,461.64	
Provision for Federal Income Tax	(210,500.00)		1,967.00	
Provision for Statel Income Tax	(101,861.82)		638.00	
Provision for Federal Income Tax for Current Year			(253,000.00)	
Provision for Statel Income Tax for Current Year			(120,000.00)	
Loss on discard of Asset (Data Processing)			(78.00)	
TOTAL OTHER INCOME	(11,812.71)	(11,812.71)	(362,640.28)	(362,640.28)
NET PROFIT		\$743,770.73		\$910,928.41

See Accompanying Notes to Financial Statements

GLOBAL PET FILMS, INC.
Statement of Cash Flows
For the 12 Months Periods Ended March 31, 2019 and 2020
Increase(Decrease) in Cash or Cash Equivalents

	12 Months Ended March 31, 2019	12 Months Ended March 31, 2020
Cash Flows from Operating Activities		
Net Income (Loss)	\$743,770.73	\$910,928.41
Adjustments to Reconcile Cash Flow		
Depreciation	236.00	1,687.00
Decrease (Increase) in Currents Assets		
Accounts Receivable-Trade	(660,409.19)	(3,090,862.06)
Inventory	0.00	0.00
Deposits with Insurance Company for Customs Duty		(100,000.00)
Rent Deposit		(2,434.25)
Increase (Decrease) in Current Liabilities		
Accounts Payable-Trade	(143,368.84)	2,468,853.86
Payroll Taxes Payable	(3,546.49)	11,527.20
Provision for Taxation	116,000.00	69,000.00
Advance from Customers	(80,813.46)	63,094.62
Salaries accrued	(51,170.42)	0.00
Accrued Expenses	(4,252.00)	128,041.00
Total Adjustments	(\$827,324.40)	(\$451,092.63)
Net Cash Provided by (Used in) Operating Activities	(\$83,553.67)	\$459,835.78
Cash Flow from Investing Activities		
Purchases of Assets		(10,701.08)
Sale or Discard of Assets-Net		78.00
Cash Provided (Used) by Investing	0.00	(10,623.08)
Cash Flow From Financing Activities		
Cash (Used) or provided by:		
Dividends Paid	(400,000.00)	(300,000.00)
Net Increase (Decrease) in Cash	(\$483,553.67)	\$149,212.70
Cash at Beginning of Period	\$874,368.80	\$390,815.13
Cash at End of Period	\$390,815.13	\$540,027.83

See accompanying Notes to financial statements

Global Pet Films, Inc.

Notes to Financial Statements **For the Year ended March 31, 2020**

(1) Description of Business:

Global Pet Films, Inc. was incorporated on December 22, 1997 under the laws of State of Illinois, USA and is also registered with State of Florida and State of Maryland, USA. The company is engaged in the business of supply and distribution of polyester and solar control films in USA. The company has its place of business in Gaithersburg, Maryland, USA.

(2) Significant Accounting Policies:

The Significant accounting policies of Global Pet Films, Inc., which are summarized below, are consistent with accounting principles generally accepted in the United States of America and reflect practices appropriate to the business in which they operate.

(a) Cash and Cash equivalents

Cash and cash equivalents include money market instruments

(b) Inventories

Inventories are stated at the lower of cost (determined by FIFO method) or market (net realizable) value.

(c) Depreciation and Amortization

Equipments are stated at cost less accumulated depreciation. Assets are depreciated using straight line MACRS method over the useful lives of the assets.

(d) Revenue Recognition

Revenues from product sales to customers are recognized when products are shipped to customers.

(e) Purchases

Purchases are recorded in books only when received in company warehouses and/or received at Customs warehouses located at the port of destination.

(f) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

(3) Cash in Bank \$540,027.83

Cash in Bank represents balances in different bank accounts as follows.

Cash in Citibank A/C 783	\$139,300.95
Cash in Citibank A/C 796	\$5,352.68
Cash in First American Bank-2204	\$109,201.60
Cash in First American Bank-2218	\$286,172.60

(4) Accounts Receivable \$3,983,733.47

The accounts receivable balance as of March 31, 2020 was \$3,983,733.47 of which \$1,606,105.14 was due from Garware Polyester Ltd. India.

All of these receivables were collected by May 31, 2020 except \$1,606,105.14 due from Garware Polyester Ltd, India.

(5) Accounts Payable \$2,552,367.86

The Accounts payable balance of \$2,552,367.86 as of March 31, 2020 represents following vendors.

(a) Garware Polyester International Ltd (UK)	\$233,469 (For management fee)
(b) Garware Polyester Ltd. (India)	\$2,318,898.86 (Purchase of goods)

(6) Accrued Expenses \$155,519

Accrued expenses include	
Freight Charges	\$77,549
Customs Duty	\$63,300
Audit fee	\$12,000
Misc. Vendors	\$2,670

(7) Stockholder's Equity

The Company's certificate of incorporation authorizes 1,000,000 shares of capital stock for issuance. As of March 31, 2020, 99,999 shares of capital stock have been issued to Garware Polyester International Ltd., a United Kingdom company

in consideration of \$99,999 and 1 share of capital stock has been issued to Ms. Sonia Garware in consideration of \$1.

(8) Dividend Declaration

The Company has declared and paid dividend in the amount of \$300,000 for the current fiscal year.

(9) Beginning and Ending Inventory and Inventory Variation

	Inventory Value as of March 31, 2019	Inventory Value as of March 31, 2020	Inventory Variation for 12 months period ending March 31, 2020
Ending Inventory	\$85.76	\$85.76	\$0.00