

# FINANCIAL STATEMENTS

## **World Transload and Logistics, LLC**

### **Consolidated Financial Statements**

March 31, 2018 and 2017  
with report of independent auditor

### **Rakesh Jain, CPA PC**

Certified Public Accountant

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# World Transload and logistics, LLC

## CONSOLIDATED FINANCIAL STATEMENTS

Years ended March 31, 2018 and 2017

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## **REPORT OF INDEPENDENT AUDITOR**

To the Board of Managers  
World Transload and Logistics, LLC and Subsidiaries  
New Hope, Minnesota

We have audited the accompanying financial statements of World Transload and Logistics, LLC and its Subsidiaries (a Minnesota Limited Liability Company) which comprise the balance sheets as of March 31, 2018 and 2017, and related statements of income, changes in member's capital 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 consolidated 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial positions of World Transload and Logistics, LLC and Subsidiaries as of March 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matter**

The consolidated financial statements of World Transload and Logistics, LLC as of March 31, 2017 were audited by other auditors whose report dated May 26, 2017, expressed clean opinion on those financial statements.

**Rakesh Jain, CPA PC**

Rakesh Jain, CPA  
Rakesh Jain, CPA PC  
Certified Public Accountant

Place: - Mont Belvieu, TX

Date: - April 23, 2018

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# Financial Statements

**World Transload and Logistics, LLC**  
Consolidated Balance Sheets  
As of March 31, 2018 and 2017

<b>Assets</b>	<b>2018</b>	<b>2017</b>
<b>Current</b>		
Cash and cash equivalents	\$1,277,939	\$2,219,624
Accounts receivables:		
Trade receivables	2,565,759	1,452,290
Others	6,396	24,653
Inventories	3,656,546	3,754,444
Prepaid expenses	122,476	110,538
Prepaid taxes	506,089	387,168
Current portion of note receivable	-	3,033,333
Deferred tax asset	131,192	-
<b>Total current assets</b>	<b>8,266,397</b>	<b>10,982,050</b>
<b>Property, Plant &amp; Equipment</b>		
Land	802,468	802,468
Building	5,486,944	5,486,944
Leasehold improvements	531,193	531,193
Office furniture and equipment	1,308,923	1,308,923
Warehouse and manufacturing equipment	5,869,358	5,786,064
Vehicles	281,732	274,390
Less: accumulated depreciation	(8,743,068)	(8,284,248)
<b>Property, Plant &amp; Equipment, Net</b>	<b>5,537,550</b>	<b>5,905,734</b>
<b>Other Assets</b>		
Security deposits	2,578	2,578
Note receivable	-	6,066,667
Deferred income tax assets	-	271,054
<b>Total Other Assets</b>	<b>2,578</b>	<b>6,340,299</b>
<b>Total Assets</b>	<b>\$13,806,525</b>	<b>\$23,228,083</b>

See Notes to consolidated Financial Statements

**World Transload and Logistics, LLC**  
 Consolidated Balance Sheets  
 As of March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Liabilities and Member's Interest</b>		
<b>Current Liabilities</b>		
Current portion of long term debt - Related Party	\$925,131	\$9,249,994
Accounts payable- trade	901,222	878,394
Accured expense	353,305	304,337
Accured interest	9,700	595,135
Customers deposits	164,478	94,860
Income tax payable current	-	432,153
<b>Total Current Liabilities</b>	<b>2,353,836</b>	<b>11,554,873</b>
<b>Long-term debt, net of current portions :</b>		
Long- term debt - related party	0	1,416,903
<b>Total long-term debt</b>	<b>0</b>	<b>1,416,903</b>
Deferred Tax Liability	7,497	-
<b>Total Liabilities</b>	<b>2,361,333</b>	<b>12,971,776</b>
<b>Membership Interest</b>		
Membership interest	11,445,192	10,256,307
<b>Total member's interest</b>	<b>11,445,192</b>	<b>10,256,307</b>
<b>Total Liabilities and Member's Interest</b>	<b>\$13,806,525</b>	<b>\$23,228,083</b>

See Notes to consolidated Financial Statements

**World Transload and Logistics, LLC**  
Consolidated Statement of Income  
for the years ended March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Net Sales</b>	\$13,778,874	\$11,967,275
Cost of sales - materials, labor and other costs	11,463,622	9,441,099
<b>Gross Profit</b>	<u>2,315,252</u>	<u>2,526,176</u>
<b>Selling, General and Administrative Expenses</b>		
Selling, general and administrative expenses	824,060	1,077,029
Finance charges	12,454	19,356
Depreciation and amortization	458,820	496,388
<b>Total Selling, General and Administrative Expenses</b>	<u>1,295,334</u>	<u>1,592,773</u>
<b>Operating Income (Expenses):</b>	<u>1,019,918</u>	<u>933,403</u>
<b>Other Income (Expenses):</b>		
Interest income	70,996	213,876
Interest expense	(365,261)	(941,409)
Rental income	-	-
Scrap income	153,089	81,972
Miscellaneous income	25,349	64,695
<b>Total Other Income (Expenses), net</b>	<u>(115,827)</u>	<u>(580,866)</u>
<b>Income before income taxes</b>	<u>904,091</u>	<u>352,537</u>
<b>Income Taxes</b>		
Income tax benefit/(expense)	-	(432,153)
Income tax benefit/(expense) - Prior year adjustment	432,153	(273,642)
Deferred tax benefit/(expense)	(147,359)	(331,566)
<b>Total Income Taxes</b>	<u>284,794</u>	<u>(1,037,361)</u>
<b>Net Income (loss)</b>	<u>\$1,188,885</u>	<u>(\$684,824)</u>

See Notes to consolidated Financial Statements

**World Transload and Logistics, LLC**  
 Consolidated Statement of Changes in membership interests  
 Year ending March 31, 2018 and 2017

(All amounts are in USD)

	<b>Member's Stated Capital Account</b>	<b>Additional Capital Contributed</b>	<b>Retained Earnings</b>	<b>Total Membership Interest</b>
Balance at March 31, 2016	9,842,579	-	1,098,552	10,941,131
Profit and loss for the year 2016-17			(684,824)	(684,824)
Balance at March 31, 2017	9,842,579	-	413,728	10,256,307
Profit and loss for the year 2017-18			1,188,885	1,188,885
<b>Balance at March 31, 2018</b>	<b>9,842,579</b>	<b>-</b>	<b>1,602,613</b>	<b>11,445,192</b>

See Notes to consolidated Financial Statements

**World Transload and Logistics, LLC**  
**Consolidated Statement of Cash Flows**  
**For the years ended March 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Cash Flows From Operating Activities:</b>		
Net income	\$1,188,885	(\$684,824)
Provision for doubtful debt		
provided by operating activities:		
Depreciation and amortization	458,820	471,902
Changes in operating assets and liabilities:		
(Increase)/decrease in trade receivables	(1,113,469)	2,049,392
(Increase)/decrease in current portion of note receivable	3,033,333	(777,778)
(Increase)/decrease in other receivables	18,257	(2,965)
(Increase)/decrease in Security Deposit	-	-
(Increase)/decrease in interest receivables- affiliates	-	295,797
(Increase)/decrease in inventories	97,899	(599,923)
(Increase)/decrease in prepaid expenses and deposits	(11,938)	2,491
(Increase)/decrease in note receivable	6,066,667	777,778
(Increase)/decrease in deferred taxes	139,863	331,566
(Increase)/decrease in prepaid taxes	(118,922)	417,675
Increase/(decrease) in account payable - trade	22,829	(246,302)
Increase/(decrease) in current portion of note payable	(8,324,863)	5,049,769
Increase/(Decrease) in accrued expenses	48,967	39,995
Increase/(Decrease) in accrued interest	(585,435)	(863,531)
Increase/(Decrease) in other liability & deposits	69,618	25,601
Increase/(Decrease) in deferred tax liability	7,497	-
Increase/(Decrease) in Income tax payable	(432,153)	184,461
<b>Net cash provided (used) by operating activities</b>	<b>565,854</b>	<b>6,471,104</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of property and equipment	(90,636)	
Net Proceeds from sale of subsidiary	-	-
Proceeds from sale of property		12,174
<b>Net cash used in investing activities:</b>	<b>(90,636)</b>	<b>12,174</b>
<b>Cash Flows from Financing Activities:</b>		
Decrease in notes payable	-	
(Increase)/Decrease in Long Term Debt	(1,416,903)	(6,546,872)
<b>Net cash used in financing activities:</b>	<b>(1,416,903)</b>	<b>(6,546,872)</b>
Net Increase/(decrease) in cash and cash equivalents	(941,685)	(63,593)
Cash and cash equivalents at the beginning of year	2,219,624	2,283,218
<b>Cash and cash equivalents at the end of year</b>	<b>\$1,277,939</b>	<b>\$2,219,624</b>
Interest paid	\$365,261	\$941,409

See Notes to Consolidated Financial Statements

**World Transload and Logistics, LLC and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Years ended March 31, 2018 and 2017**

**NOTE 1 – ORGANIZATION**

**Organization and operations**

World Transload and Logistics, LLC and its wholly owned subsidiaries Tube Technologies, Inc., and Helical Anchors, Inc. (collectively referred to herein as the “Company”) manufacture down hole tools for the water well, construction, mining, environmental, gas, oil, and utility construction industries, to customers located throughout the world. The Company also manufactures helical construction anchors for the utility and construction industries to customers located throughout the world.

**Comparative Financial Statement**

The financial statements presented along with the audit reports are in the comparative form.

**Reclassification of Prior Year Amounts**

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Consolidation**

Generally Accepted Accounting Principles (“GAAP”) requires certain Variable Interest Entities (VIEs) to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The consolidated financial statements include the accounts of World Transload and Logistics, LLC, its wholly owned subsidiaries Tube Technologies, Inc., and Helical Anchors, Inc., and two VIEs; 5101 Boone, LLP (“5101 BOONE”) and Boone Real Property Holding, LLC, from which the Company leases a building. All significant intercompany balances, transactions, and profits have been eliminated in consolidation.

**World Transload and Logistics, LLC and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Years ended March 31, 2018 and 2017**

**NOTE 2 – Summary of significant accounting policies - continued**

**Use of Estimates in Consolidated Financial Statements**

In preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”), management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash**

The Company considers deposits that can be redeemed on demand and investments that have original maturities of less than three months when purchased to be cash equivalents. The Company maintains its cash in bank accounts with quality financial institutions that may at times exceed federally insured limits. To date, the Company has not experienced any losses in such accounts.

**Accounts Receivable**

Trade accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowance for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer credit-worthiness, past transaction history with the customer, current economic trends, and changes in customer payment terms.

If the financial condition of the Company’s customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management’s assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Management believes that the total accounts receivables of \$ 2,565,759 as on March 31, 2018 (Previous year \$ 1,452,990) are fully good and collectibles and no allowance for doubtful accounts was needed to be provided for them as of March 31, 2018.

**World Transload and Logistics, LLC and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Years ended March 31, 2018 and 2017**

**NOTE 2 – Summary of significant accounting policies – continued**

**Inventories**

Inventories are valued at average cost, which approximates the first-in, first-out (FIFO) method, including provisions for obsolescence commensurate with known or estimated exposures.

**Property and Equipment**

Property and equipment are carried at cost. Expenditures for major renewals and betterments, which substantially increase the useful lives of existing assets, are capitalized. Maintenance and repairs are charged to expense as incurred.

The Company provides for depreciation on property and equipment utilizing the straight-line and accelerated methods for financial reporting purposes at rates based on the following useful lives:

Buildings and leasehold improvements	7 to 39 Yrs.
Office furniture and equipment	3 to 10 Yrs.
Warehouse and manufacturing equipment	3 to 20 Yrs.
Vehicles	5 Yrs.

**Advertising Costs**

Advertising costs are expensed as incurred. The advertising costs charged to expense for the year ended March 31, 2018 was \$ NIL (Previous year \$ 3,610)

**Shipping and Handling Costs**

Shipping and handling costs charged to customers have been included in net sales. Shipping and handling costs incurred by the Company have been included in cost of goods sold.

**Sales Tax**

The Company collects sales tax. The amount received is credited to a liability account and as payments are made, this account is charged. At any point in time, this account represents the net amount owed to the taxing authority for amounts collected but not yet remitted.

**World Transload and Logistics, LLC and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Years ended March 31, 2018 and 2017**

**NOTE 2 – Summary of significant accounting policies - continued**

**Income Taxes**

Prior to the sale of the membership units of WTL and 5101 BOONE, WTL was taxed under the provisions of Subchapter S of the Internal Revenue Code and 5101 BOONE was taxed as a partnership. Due to the sale of the membership of WTL and 5101 BOONE, each will be taxed as a C-corporation effective May 23, 2014.

The Company accounts for its income taxes using generally accepted accounting principles, which requires the establishment of deferred taxes for differences between financial statement and tax reporting purposes. As such, the Company's provision for income taxes is based on the asset and liability method of accounting whereby deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

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. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Boone Real Property Holding, LLC is a disregarded entity for tax purposes as a single member LLC fully owned by WTL.

Management of the Company considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities.

Management has not identified any uncertain tax positions in filed income tax returns that require recognition or disclosure in the accompanying consolidated financial statements. 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. The Company classifies income tax related interest and penalties in income tax expense, when incurred. There were no income tax related interest or penalties to be accrued at March 31, 2018.

**World Transload and Logistics, LLC and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Years ended March 31, 2018 and 2017**

**NOTE 3 – INVENTORY**

As of March 31, 2018 and March 31, 2017, inventory consisted of the following:

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Raw materials	2,152,968	2,350,894
Work in process	98,215	66,426
Material in transit	339,979	147,588
Finished goods	1,065,383	1,189,536
	<hr/> <b>3,656,545</b>	<hr/> <b>3,754,444</b>

The Company evaluates the inventory purchased in the normal course of business for obsolescence and slow-moving items. Inventory is carried on the accompanying financial statements net of reserves.

**World Transload and Logistics, LLC and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Years ended March 31, 2018 and 2017**

**NOTE 4 – LONG-TERM DEBTS**

Long-term debts consisted of the following:

	As of March 31, 2018	As of March 31, 2017
Mortgage payable to a finance company due in semi- annual interest payments at 6% over one year LIBOR rate (7.8% and 7.8 % at March 31, 2018 and 2017, respectively) from 2013 through 2015, and semi-annual principal and interest payments of \$951,296 starting in 2016; due December 2017. This note is secured by the mortgage of the real estate of 5101 Boone, LLP, a pledge of the members' membership units, and an interest in the Company's accounts receivable and inventory	-	3,500,000
Note payable to a finance company due in semi-annual interest payments at 6% over one year LIBOR rate (7.8% and 7.8 % at March 31, 2018 and 2017, respectively) from 2013 through 2015, semi-annual principal and interest payments of \$814,815 starting in 2016; due December 2017. This note is secured by equipment, a pledge of the members' membership units, and an interest in the Company's accounts receivable and inventory.	-	3,000,000
Note payable to a finance company due in semi-annual interest payments at 6% over one year LIBOR rate from 2014 through 2015 (7.8% and 7.8 % at March 31, 2018 and 2017, respectively), semi annual principal and interest payments of \$111,955 starting in 2016; due December 2019. This note is secured by equipment, a pledge of the members' membership units, and an interest in the Company's accounts receivable and inventory.	-	1,167,524
Note payable to a finance company due in semi-annual instalments of 2% interest only through 2015; \$163,118 semi-annual interest and principal payments in 2016 including interest at 6% over one year LIBOR rate (7.8% and 7.8 % at March 31, 2018 and 2017, respectively ) ; due January 2019. This note is secured by equipment, a pledge of the members' membership units, and an interest in the Company's accounts receivable and inventory.	-	1,000,000
Note payable to a finance company due in semi-annual instalments of 2% interest only through 2015; \$326,235 semi-annual interest and principal payments in 2016 including interest at 6% over one year LIBOR rate (7.8% and 7.8 % at March 31, 2018 and 2017, respectively); due April 2019. This note is secured by equipment, a pledge of the members' membership units, and an interest in the Company accounts receivable and inventory.	-	2,000,000
Total Long Term Debts		10,667,524
Less: Current Portion		(9,249,994)
Net Long Term Debts		1,417,530

**World Transload and Logistics, LLC and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Years ended March 31, 2018 and 2017**

During the year 2017-18, entire outstanding long term loan of \$1,417,530/- was paid as under: -

On 05/31/2017	\$ 500,000
On 06/19/2017	\$ 166,669
On 06/28/2017	\$ 83,337
On 08/04/2017	\$ 667,524

**NOTE 5 – INCOME TAXES**

The provision for income taxes consists of the following components for the years ended March 31, 2018 and 2017:

<b>Current Tax Expense:</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Federal	-	337,243
Minnesota	-	94,910
	-	432,153
<b>Deferred:</b>		
Federal	100,309	257,884
Minnesota	47,050	73,682
<b>Total Provision for Income taxes</b>	<b>147,359</b>	<b>331,566</b>

The deferred tax asset and liability balances are primarily a result of the differences in net book value of depreciable and amortizable assets. Realization of the future tax benefits related to the net deferred tax assets is dependent on many factors including the Company's ability to generate taxable income. Management believes that, at a minimum, it is more likely than not that future taxable income will be sufficient to realize the recorded assets.

**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

The Company is subject to occasional lawsuits and claims with respect to matters such as product performance arising out of the normal course of business. While the impact on future financial results is not subject to reasonable estimation because considerable uncertainty exists. Management believes, after consulting with counsel, that the ultimate liabilities resulting from such lawsuits and claims will not materially affect the results, liquidity or financial position of the Company.

**World Transload and Logistics, LLC and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Years ended March 31, 2018 and 2017**

**NOTE 7 – 401(K) SALARY SAVINGS AND PROFIT SHARING PLAN**

The Company has a 401(k) salary savings and profit sharing plan that covers all employees, subject to various eligibility requirements such as months of service and age limitations. At the discretion of the board of managers, the Company may make additional contributions based on profits. The company made matching contributions of \$ 22,686 and \$ 16,082 for the year ended March 31, 2018 and March 31, 2017 respectively.

**NOTE 8 – MAJOR CUSTOMERS**

The Company had sales to customers that individually contributed in excess of 10% of revenues are as follows for the years ended March 31, 2018 and March 31, 2017:

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Number of Customer	1	1
Revenue Contributed	\$ 3,995,811	\$ 4,162,678
Total Revenue	\$ 13,778,874	\$ 11,967,275
Percent of total revenue contributed	29%	35%
Accounts receivable from these customers	\$ 274,361	\$ 64,640

**NOTE 9 – CONSOLIDATION OF VARIABLE INTEREST ENTITY**

The owners of the Company established a separate legal entity, 5101 Boone Ave, LLP (Formerly TM Holdings), to own Company's office and manufacturing facility. The Company leases the buildings and manufacturing facilities from 5101 Boone Ave, LLP under a 20-year lease with total expected lease payments of \$ 11,952,000 during that period.

Following generally accepted accounting principles for variable interest entities, the Company is the primary beneficiary of 5101 Boone Ave, LLP because the Company has the power to direct the activities of 5101 Boone Ave, LLP that most significantly impact 5101 Boone Ave, LLP's economic performance. Those activities include management oversight, hiring, and decision making.

Should additional financial support be needed for 5101 Boone, LLP in future, it is expected that the Company will provide that additional financial support due to the ownership and leasing relationships between the Company and 5101 Boone Ave, LLP.

The current sole sources of 5101 Boone, LLP's revenue is the lease payments made by the Company.

**World Transload and Logistics, LLC and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Years ended March 31, 2018 and 2017**

Selected information from 5101 Boone, LLP's balance sheet as of March 31, 2018 and 2017, results of operations for the period ended March 31, 2018 and 2017 are as follows:

	As of March 31, 2018	As of March 31 2017
Long -Term Assets	4,228,430	4,402,709
Total Assets	4,641,629	4,583,331
Long-term Liabilities	1,403,251	1,445,686
Total Liabilities	1,383,538	1,541,403
Membership Interest	3,258,091	3,041,928
Net Revenue	746,868	750,178
Operating Expenses	530,705	598,082
Net Income	216,163	152,096

The above assets are collateral for the related long-term debts on the balance sheet of the Company. Upon initial consolidation of 5101 Boone, LLP into the Company, no gain or loss was recognized.

**NOTE 10 – RELATED PARTY TRANSACTIONS**

The company's members have ownership in various affiliated companies. The Company had transactions with three related party during for the year ended March 31, 2018 which included following sales/purchases:

Related Party	Transaction Type	Amount	O/s Balance
Drill Pipe International	Raw Material Purchase	241,016	76,662
Drill Pipe International	Sales	12,659	Nil
Jindal Saw Ltd., India	Raw Material Purchase	532,213	108,170
Jindal Saw USA, LLC	Interest Income on Loan	51,168	Nil
Jindal Saw USA, LLC	Raw Material Purchase	13,260	NIL

**World Transload and Logistics, LLC and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Year ended March 31, 2018 and 2017**

**NOTE 11- SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of the consolidated balance sheet in determining the accounting for and disclosure of transactions and events that affect the consolidated financial statements. Subsequent events have been evaluated through April 23, 2018, which is the date the consolidated financial statements were available to be issued.