ELECTROSTEEL USA, LLC
AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022 AND 2021

Holland, Bromley, Barnhill & Brett LLP
Certified Public Accountants and Business Advisors

ELECTROSTEEL USA, LLC AND SUBSIDIARY

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MARCH 31, 2022 AND 2021

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Independent Auditor's Report

April 26, 2022

To the Board of Directors and Member of
Electrosteel USA, LLC and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of Electrosteel USA, LLC (a Delaware corporation) and subsidiary (the Company), which comprise the consolidated balance sheets as of March 31, 2022 and 2021, and the related consolidated statements of income, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Electrosteel USA, LLC and subsidiary as of March 31, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Holland, Bromley, Barnhill & Brett, LLP

Holland, Bromley, Barnhill & Brett, LLP
Savannah, Georgia

ELECTROSTEEL USA, LLC AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2022 AND 2021

	2022	2021
ASSETS		
Current assets		
Cash and equivalents	$ 812,378	$ 579,764
Accounts receivable, net	1,879,424	1,356,463
Other receivables	191,949	-
Inventory, net	6,317,625	3,143,728
Prepaid expenses	72,480	26,607
Total current assets	9,273,856	5,106,562
Operating lease right-of-use assets	416,887	518,077
Property and equipment, net	279,284	237,873
Total assets	$ 9,970,027	$ 5,862,512
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Accounts payable	$ 3,650,839	$ 346,826
Income taxes payable	11,500	-
Accrued expenses	222,759	52,011
Deferred revenue	25,125	63,395
Finance lease liabilities	20,070	18,130
Operating lease liabilities	106,315	101,190
Notes payable	2,257,781	2,257,401
Total current liabilities	6,294,389	2,838,953
Long-term liabilities		
Deferred tax liability	16,000	-
Finance lease liabilities	28,222	21,770
Operating lease liabilities	310,572	416,887
Notes payable	21,233	29,012
Total long-term liabilities	376,027	467,669
Total liabilities	6,670,416	3,306,622
Member's equity		
Contributed capital	3,000,000	3,000,000
Retained earnings	299,611	(444,110)
Total member's equity	3,299,611	2,555,890
Total liabilities and member's equity	$ 9,970,027	$ 5,862,512

(The accompanying notes are an integral part of the consolidated financial statements.)

ELECTROSTEEL USA, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

	2022	2021
Net sales	$ 11,086,021	$ 6,123,791
Cost of goods sold	(8,210,355)	(4,216,778)
Inventory provision	(407,910)	(131,788)
Gross profit	2,467,756	1,775,225
Operating expenses		
Payroll, related taxes, and benefits	898,916	787,146
Rent	130,120	116,095
Interest	61,915	60,826
Depreciation	54,924	67,602
Insurance	54,082	43,483
Financing fees	52,754	86,553
Advertising	49,522	49,393
Taxes	48,829	33,865
Professional fees and contract labor	44,353	40,321
Supplies	40,373	35,889
Utilities	33,955	28,997
Commissions	33,829	37,228
Repairs and maintenance	33,565	38,571
Automobile	33,354	31,625
Travel	32,604	16,995
Dues and subscriptions	19,208	16,136
Technology	16,925	16,856
Product testing and development	15,737	2,919
Entertainment	12,487	5,364
Shipping	10,700	5,855
Meals	10,043	5,318
Bank fees	7,840	8,520
Licenses and permits	500	-
Bad debt	-	100,000
Total operating expenses	1,696,535	1,635,557
Other income	-	18,839
Net income before income taxes	771,221	158,507
Income tax expense	(27,500)	-
Net income	$ 743,721	$ 158,507

(The accompanying notes are an integral part of the consolidated financial statements.)

ELECTROSTEEL USA, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY

FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

	Contributed Capital	Retained Earnings	Member's Equity
Balance at March 31, 2020	$ 3,000,000	$ (602,617)	$ 2,397,383
Net income	-	158,507	158,507
Balance at March 31, 2021	3,000,000	(444,110)	2,555,890
Net income	-	743,721	743,721
Balance at March 31, 2022	$ 3,000,000	$ 299,611	$ 3,299,611

(The accompanying notes are an integral part of the consolidated financial statements.)

ELECTROSTEEL USA, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

	2022	2021
Cash flows from operating activities		
Net income	$ 743,721	$ 158,507
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	54,924	67,602
Bad debt	-	100,000
Changes in assets and liabilities:		
Accounts receivable, net	(522,961)	108,160
Other receivables	(191,949)	-
Inventory	(3,173,897)	202,543
Prepaid expenses	(45,873)	13,216
Accounts payable	3,304,013	(407,692)
Income taxes payable	11,500	-
Accrued expenses	170,748	(116,390)
Deferred tax liability	16,000	-
Deferred revenue	(38,270)	63,395
Net cash provided by operating activities	327,956	189,341
Cash flows from investing activities		
Purchases of property and equipment	(96,335)	(44,232)
Net cash used for investing activities	(96,335)	(44,232)
Cash flows from financing activities		
Borrowings from finance lease liabilities	27,071	-
Borrowings from notes payable	-	40,000
Payments on finance lease liabilities	(18,679)	(16,672)
Payments on notes payable	(7,399)	(3,587)
Net cash provided by financing activities	993	19,741
Net increase in cash	232,614	164,850
Cash - beginning of year	579,764	414,914
Cash - end of year	$ 812,378	$ 579,764
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	$ 54,787	$ 64,840
Income taxes	$ -	$ -

(The accompanying notes are an integral part of the consolidated financial statements.)

NOTE 1 - DESCRIPTION OF ORGANIZATION

Electrosteel USA, LLC (the Company) is a wholly owned subsidiary of Electrosteel Castings, LTD (the Parent) and is responsible for the exclusive distribution of their castings throughout North America. These castings include ductile iron pipe, fabricated ductile iron pipe, and ductile iron fittings used extensively in the waterworks industry. The Company unloads inventory and fabricates the castings in the United States of America while maintaining a sales team responsible for marketing to utilities and contractors. The Company was organized on September 30, 2008 as a limited liability company in the state of Delaware to engage principally in the business of providing ductile iron pipes and fittings. The liability of the member of the Company is limited to the member's total capital contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Company's consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Expenses are recognized when incurred, rather than when paid. Revenues are recognized when earned, rather than when received.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of Electrosteel USA, LLC and its wholly owned subsidiary, Waterfab LLC, collectively referred to as the Company. Upon consolidation, all material intercompany balances and transactions are eliminated. Effective March 31, 2014, operations of Waterfab, LLC were discontinued.

Cash and equivalents

For financial statement purposes, the Company considers cash and equivalents to include all investments with an original maturity of ninety days or less.

Accounts receivable

The Company maintains an insurance policy which insures the collectability of certain customer balances up to a preapproved credit limit. Based on management's analysis of receivables, experience, and the insurance policy, an allowance for uncollectible accounts of $100,000 is included in accounts receivable on the accompanying consolidated balance sheets as of March 31, 2022 and 2021.

Shipping income and related cost

Revenue derived from shipping charged to customers is included in sales, and shipping expenses incurred are reported in operating expenses in the accompanying consolidated statements of income.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

Inventory is stated at the lower of cost or net realizable value, with cost determined based on average cost of all similar items available during the period. As of March 31, 2022 and 2021, inventory consists of finished goods, including pipes, fittings, glands, and related products. Based on management's review of the net realizable value of certain inventory items, an impairment reserve for inventory of $3,200 is included in inventory on the accompanying consolidated balance sheets as of March 31, 2022 and 2021.

During the years ended March 31, 2022 and 2021, certain Company sales involving large quantities of custom finished goods were fulfilled and shipped directly by the Parent to the customer. Since no such inventory items were on hand at March 31, 2022 and 2021, they are not included in management's analysis of the lower of cost or net realizable value of inventory on hand.

Property and equipment

Property and equipment acquisitions are recorded at cost. Depreciation is calculated over the estimated useful lives of the related assets using the straight-line method. Estimated useful lives by asset class are as follows: machinery and equipment, three to ten years; office equipment, three to seven years; and land improvements, five to ten years. Depreciation expense totaled $54,924 and $67,602 for the years ended March 31, 2022 and 2021, respectively.

New accounting pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, "Leases" (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, "Leases." The most significant change in the new leasing guidance is the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the balance sheet. The Company elected to early adopt this ASU during the year ended March 31, 2021, due to the Company entering into two new long-term operating leases during the year. The adoption had a material impact on the Company's consolidated balance sheet but did not have a material impact on the consolidated income statement or the consolidated statement of cash flows. The accounting for finance leases remained substantially unchanged. Adopting FASB ASC 842 had no impact on prior year financial information.

Revenue recognition

The Company generates revenues primarily from the sales of pipes and fittings. Revenues are recognized when control of these products is transferred to customers (when goods are shipped), in an amount that reflects the consideration the Company expects to be entitled for exchanging those products. The Company does not have any significant financing components as payment is received at or shortly after the point of sale.

Product warranties

The Company provides a one-year warranty on all products sold, which covers defects in materials. The Company's warranty liability is based upon historical warranty cost experience. For each of the years ending March 31, 2022 and 2021, management determined an accrual related to estimated warranties was not deemed necessary.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The Company is organized as a limited liability company. For federal and state income tax purposes, the Company elected to be treated as a C-corporation and is subject to income taxes under Internal Revenue Service guidelines.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. Once this threshold is met, the amount recognized in the financial statements is the largest amount of tax benefit likely realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company does not expect the total amount of unrecognized tax benefit to significantly change in the next twelve months. The Company is no longer subject to examination by taxing authorities for the years before 2018.

If incurred, the Company recognizes interest and penalties related to income tax withholdings and unrecognized tax benefits in interest expense. The Company had $0 accrued for interest and penalties as of March 31, 2022 and 2021 which represents all related interest and penalties recorded for the years then ended.

Advertising

Advertising costs are expensed as incurred and presented separately on the accompanying consolidated statements of income.

Reclassification

Certain prior year amounts have been reclassified to conform with current year presentation.

Concentration of credit risk

During the years ended March 31, 2022 and 2021, approximately 31% and 32%, respectively, of total sales were to two customers. At March 31, 2022 and 2021, approximately 63% and 48%, respectively, of total accounts receivable were from three customers.

During the years ended March 31, 2022 and 2021, the Company purchased substantially all inventory from the Parent.

The Company maintains cash at a commercial bank in deposit accounts. As of March 31, 2022 and 2021, the Federal Deposit Insurance Corporation (FDIC) insured deposits up to $250,000 per financial institution. At March 31, 2022 and 2021, the Company had uninsured cash of approximately $497,000 and $339,000, respectively.

Use of estimates

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

Subsequent events

The Company has evaluated subsequent events through April 26, 2022, the date the consolidated financial statements were available to be issued.

NOTE 3 - RETIREMENT PLAN

In 2014, the Company began sponsoring a SIMPLE IRA retirement plan. Employees are eligible to participate immediately with no minimum service requirement. The SIMPLE IRA plan provides for an employer match of 100% of the first 3% of salary deferred by an employee. For the years ended March 31, 2022 and 2021, the Company's contributions into the retirement plan totaled $14,118 and $10,504, respectively.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2022 and 2021 consists of the following:

	2022	2021
Computer equipment	$ 14,984	$ 14,984
Land improvements	182,912	113,648
Machinery and equipment	643,799	616,728
	841,695	745,360
Accumulated depreciation	(562,411)	(507,487)
Total property and equipment	$ 279,284	$ 237,873

NOTE 5 - INCOME TAXES

The Company elected a C-Corporation status for income tax purposes. The provision for income taxes includes current federal and state income taxes and deferred taxes arising from temporary differences between income for financial reporting and income tax purposes.

Deferred tax assets or liabilities at the end of each period are determined using the currently enacted tax rate to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be settled or realized. At March 31, 2022, the Company recorded a long term deferred tax liability of $16,000 related to differences between financial accounting and tax basis accounting for depreciation and certain assets and liabilities. At March 31, 2021, the Company recorded a net deferred tax asset of $163,000 which was fully offset by a valuation allowance and related primarily to the net operating tax losses carried forward discussed below.

For federal income tax purposes, the net operating loss (NOL) carried forward from prior years of approximately $721,000 will be fully utilized to offset taxable income of approximately $723,300, resulting in taxable income of approximately $2,300 for the year ended March 31, 2022. For Alabama state income tax purposes, the NOL carried forward from prior years of approximately $721,000 will be partially utilized to offset taxable income of approximately $15,000 for the year ended March 31, 2022. For Georgia state income tax purposes, the NOL carried forward from prior years of approximately $33,000 will be fully utilized to offset taxable income of approximately $202,000, resulting in taxable income of approximately $169,000 for the year ended March 31, 2022. An income tax payable of $11,500 has been recorded for the estimated taxes due for federal and state purposes at March 31, 2022. The Company's income tax expense shown on the consolidated statements of income consists of $11,500 in current tax expense and $16,000 in deferred tax expense.

NOTE 6 - NOTES PAYABLE

In August 2016, the Company entered into a short-term loan facility agreement with ICICI Bank UK for $2,250,000. Interest on the loan is charged at a rate of LIBOR plus 2% and is payable by the Company to ICICI Bank UK quarterly. Interest expense of $51,036 and $56,153 related to this note is included in the accompanying consolidated statements of income for the years ended March 31, 2022 and 2021, respectively. The loan originally matured on August 23, 2017, was renewed annually, and currently matures on August 19, 2022. The loan is included in current liabilities on the accompanying consolidated balance sheets. During the year ended March 31, 2022, a renewal fee to ICICI Bank UK of $6,844 is included in accrued expenses and interest expense. The loan is collateralized by a $2,500,000 line of credit maintained by the Parent. Fees paid and payable to the Parent for maintaining this line of credit as collateral, as well as other loan fees, totaled $52,754 and $86,553 for the years ended March 31, 2022 and 2021, respectively. These fees are included as financing fees in the accompanying consolidated statements of income.

In September 2020, the Company entered into a commercial loan agreement with Coastal States Bank for $40,000. This loan bears a fixed interest rate of 4.95% and is payable in 60 monthly payments of $755, which includes principal and interest. The loan is scheduled to mature on September 22, 2025 and is secured by the Company's assets. The principal balance of this loan on March 31, 2022 and 2021 was $29,014 and $36,413, of which, $7,781 and $7,401 is included in current liabilities, respectively, on the accompanying consolidated balance sheets. Interest expense of $1,663 and $959 related to this loan is included in the accompanying consolidated statements of income for the years ended March 31, 2022 and 2021, respectively.

Aggregate maturities of the loan with Coastal States Bank are as follows:

Year ending March 31,	
2023	$ 7,781
2024	8,179
2025	8,601
2026	4,453
Thereafter	-
	$ 29,014

NOTE 7 - LEASE AGREEMENTS

The Company leases certain real estate under two operating leases and leases certain equipment under three finance leases. As discussed in Note 2, the Company elected to early adopt FASB ASC 842, due to the Company entering into new long-term operating leases during the year ended March 31, 2021. As part of this adoption, the Company recognized right-of-use assets and operating lease liabilities on the consolidated balance sheet at March 31, 2021.

The Company assesses whether an arrangement qualifies as a lease (i.e. conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of twelve months or less are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term. Expenses related to these short-term leasing arrangements totaled $5,560 and $74,575 during the years ended March 31, 2022 and 2021, respectively.

NOTE 7 - LEASE AGREEMENTS (continued)

There are no renewal options, no variable payment terms, and no material residual value or material restrictive covenants included in any of the operating and finance leases to which the Company is a party. The Company does not sublease any of the leased space or equipment. Certain finance leases include options to purchase the leased equipment. The depreciable life of this equipment is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

When a lease does not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments.

The following summarizes the line items in the consolidated balance sheets which include amounts for operating and finance leases as of March 31:

	2022	2021
Operating Leases		
Operating lease right-of-use assets	$ 416,887	$ 518,077
Current portion of operating lease liabilities	$ 106,315	$ 101,190
Long-term operating lease liabilities	310,572	416,887
Total operating lease liabilities	$ 416,887	$ 518,077
Finance Leases		
Property and equipment	$ 130,138	$ 103,067
Accumulated depreciation	(44,729)	(32,918)
Property and equipment, net	$ 85,409	$ 70,149
Current portion of finance lease liabilities	$ 20,070	$ 18,130
Long-term finance lease liabilities	28,222	21,770
Total finance lease liabilities	$ 48,292	$ 39,900

The following summarizes the weighted average remaining lease term and discount rate as of March 31:

	2022	2021
Weighted Average Remaining Lease Term		
Operating leases	3.7 years	4.7 years
Finance leases	2.4 years	2.5 years
Weighted Average Discount Rate		
Operating leases	4.95%	4.95%
Finance leases	5.46%	7.47%

NOTE 7 - LEASE AGREEMENTS (continued)

The maturities of lease liabilities as of March 31, 2022 are as follows:

Year ending March 31,	Operating	Finance
2023	$ 124,560	$ 22,173
2024	124,560	20,472
2025	124,560	8,888
2026	83,040	-
Thereafter	-	-
Total lease payments	456,720	51,533
Less: Interest	(39,833)	(3,241)
Present value of lease liabilities	$ 416,887	$ 48,292

The following summarizes the line items in the consolidated income statements which include the components of lease expense for the year ended March 31:

	2022	2021
Operating lease expense included in rent expense	$ 124,560	$ 41,520
Finance lease costs:		
Amortization of lease assets included in depreciation expense	$ 11,811	$ 10,307
Interest on lease liabilities included in interest expense	2,372	3,796
Total finance lease costs	$ 14,183	$ 14,103

The following summarizes cash flow information related to leases for the year ended March 31:

	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 124,560	$ 41,520
Operating cash flows from finance leases	2,372	3,796
Financing cash flows from finance leases	18,679	16,672
Lease assets obtained in exchange for lease obligations:		
Operating leases	-	550,712
Finance leases	27,071	103,067

NOTE 8 - RELATED PARTY TRANSACTIONS

For the years ended March 31, 2022 and 2021, the Company purchased inventory from the Parent totaling $10,364,571 and $3,332,727, respectively.

During the years ended March 31, 2022 and 2021, respectively, the Company expensed $52,754 and $75,303 for amounts paid and payable to the Parent in consideration of the line of credit maintained by the Parent and used as collateral for the Company's short-term loan facility with ICICI Bank UK, as described in Note 6. During the year ended March 31, 2021, an agreement renewal fee of $11,250 was paid by the Company directly to ICICI Bank UK.

The Company has an amount due to the Parent of $3,551,422 and $136,153 at March 31, 2022 and 2021, respectively, which is included in accounts payable and accrued expenses on the consolidated balance sheets.

NOTE 9 - OTHER RECEIVABLES

In April 2021, the Company entered into a settlement agreement with one of its customers that included converting outstanding receivables from the customer into a promissory note of $200,000 payable to the Company in seventeen monthly installments, with the final payment of all amounts due on September 1, 2022. The note bears no interest and is collateralized by assets of the customer through a commercial security agreement. The balance of the loan was $66,471 as of March 31, 2022.

The Company is eligible for the Employee Retention Credit (ERC) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) passed by U.S. Congress on March 27, 2020, which is a refundable tax credit against certain employment taxes subject to certain criteria. During the year ended March 31, 2022, the Company filed the necessary amended payroll tax forms for tax credits totaling approximately $125,000. In April 2022, the Company received $125,478 related to these tax credits and this amount is included in other receivables on the accompanying consolidated balance sheet as of March 31, 2022.

NOTE 10 - COVID-19

In March 2020, there was a global outbreak of a new strain of coronavirus, COVID-19, which the World Health Organization declared to be a global pandemic. To date, COVID-19 has resulted in government-imposed quarantines, certain travel restrictions and other public health safety measures. The impact of the COVID-19 pandemic on the Company's financial condition and results of operations will depend on future developments, including the duration and spread of the pandemic and related advisories and restrictions that could impact the Company. The impact of the COVID-19 pandemic and associated effects on the Company and overall economy are uncertain and cannot be predicted.