

**Annual Accounts of Subsidiaries of
Technocraft Industries (India) Limited**

Technosoft Engineering Projects Limited



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TECHNOSOFT ENGINEERING PROJECTS LIMITED
(FORMLY TECHNOSOFT INFORMATION TECHNOLOGIES
(INDIA) LTD)

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **TECHNOSOFT ENGINEERING PROJECTS LIMITED (FORMLY TECHNOSOFT INFORMATION TECHNOLOGIES (INDIA) LIMITED)**, ("the company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the



audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, 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 audit opinion on the Standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its **Profit** and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 (the order) ; issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

As required by section 143 (3) of the Act, we report that:

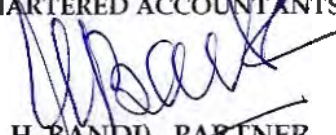


- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the Written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note no. 3 of note no. 24 of the notes to the Financial Statements in respect of contingent liability.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amount, which were required to be transferred, to the investor Education and Protection Fund by the Company.

Place of Signature: Mumbai
Date: 26 MAY 2015



For M. L. SHARMA & CO.
FIRM REG. NO. 109963W
CHARTERED ACCOUNTANTS


(C. H. BANDI) PARTNER
Membership No.5385

ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

The Annexure referred to in our Report of even date to the Members of TECHNOSOFT ENGINEERING PROJECTS LIMITED (FORMLY TECHNOSOFT INFORMATION TECHNOLOGIES (INDIA) LIMITED) for the year ended 31st March, 2015. We report that:

- 1a The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- 1b As explained to us, the fixed assets of the company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- 2 The Company is a Service Company, primarily rendering information Technology Services. Accordingly it does not hold any Physical Inventories. Thus, a provision of Paragraph (ii) (a) to (c) of the Order is not applicable to the Company
- 3 The Company has not granted any loans, secured or unsecured to the Companies, Firms or other parties covered in the register maintained under section 189 of the companies Act, 2013 and Accordingly, provision of clause iii (a) & (b) of the Order are not applicable to the Company
4. In our opinion, and according to the information and explanations given to us, there is an adequate Internal Control system commensurate with the size of the Company and the nature of its business, for the purchase of Inventory and Fixed Assets and for the sale of goods and services. Further on the basis of our examination of the Books and records of the Company and according to the information and explanation given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid Internal control System.
5. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under apply.
6. The Central Government of India has not prescribed the Maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the Services rendered by the Company and accordingly Maintenance of cost records under section 148 (1) of the Companies Act, 2013 is not applicable to the company.



- 7 a According to the information and explanations given to us, the provisions of Provident Fund, State Insurance and Sales Tax are not applicable to the company. However, the company is regular in depositing Income tax, Wealth Tax, Service tax and any other statutory dues with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at 31st March, 2015 for a period exceeding six months from the date they became payable;
- 7 b According to the information and explanation given to us and the records of the Company examined by us, the Particulars of disputed statutory dues under various act as at 31st March, 2015 which have not been deposited with the appropriate authorities are as under:-

Name of the Statute	Nature of dues	Amount (Rs)	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales Tax (CST) for the A.Y 2008-09	1,56,961/-	Appeal filed with Deputy Commissioner of Sales Tax (Appeals) II, Mumbai.
Income Tax Act, 1961	Penalty For A.Y 2011-2012	94,000/-	CIT (Appeal), Mumbai, 18
Income Tax Act, 1961	Income Tax Demand for A. Y. 2012-2013	8,16,190/-	CIT (Appeal), Mumbai, 18

- 7 c There was no amount, which was required to be transferred, to the investor Education and Protection Fund by the Company.
8. The Company has not incurred any cash losses during the current Financial Year as well as in the immediately preceding Financial Year and its accumulated losses are Nil at the end of the Current Financial Year.
9. According to information & explanations given to us and the books and records examined by us, the Company has not defaulted in repayment of dues to Banks as at the Balance sheet date. The company does not have any outstanding debentures.
10. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by other parties from Bank and Financial Institutions during the year and accordingly the provisions of clause x of the order is not applicable to the Company.
11. In our opinion and according to the information and explanations given to us, the Company has not taken any term loans during the year and



accordingly the provisions of clause xi of the order are not applicable to the Company.

12. According to the information and explanations given to us by the management which has been relied upon by us, there were no frauds on or by the company were noticed or reported during the year.

Place of Signature: Mumbai
Date: 26 MAY 2015



For M. L. SHARMA & CO.
FIRM REG. NO. 109963W
CHARTERED ACCOUNTANTS


(C. H. BANDI) PARTNER
Membership No.5385

Technosoft Engineering Projects Limited
(formerly known as Technosoft Information Technologies (India) Limited)

Balance Sheet As At 31st March 2015

Particulars	Note No.	As At 31-Mar-15 Amount (Rs.)	As At 31-Mar-14 Amount (Rs.)
I Equity & Liabilities:-			
1 Shareholders Funds			
Share Capital	1	55,33,600.00	55,33,600.00
Reserves & Surplus	2	26,24,72,458.25	23,58,69,837.96
		26,80,06,058.25	24,14,03,437.96
2 Non-Current Liabilities			
Deposits	3	22,37,256.00	72,98,576.00
Deferred Tax Liabilities		32,66,489.00	53,87,449.00
		55,03,745.00	1,26,86,025.00
3 Current Liabilities			
Short Term Borrowings	4	3,16,18,126.93	6,25,29,724.62
Trade Payables	5	6,62,594.30	15,000.00
Other Current Liabilities	6	1,47,25,890.38	1,50,47,532.13
Short Term Provisions	7	1,08,64,585.60	65,30,395.60
		5,78,71,197.21	8,41,22,652.35
		33,13,81,000.46	33,82,12,115.31
II Assets:-			
1 Non-Current Assets			
Fixed Assets			
Tangible Assets	8	11,86,41,792.79	13,28,08,146.82
Intangible Assets		58,67,578.20	68,91,725.92
Capital Work In Progress		12,45,09,370.99	13,96,99,872.74
Non-current Investment	9	15,98,71,753.00	15,98,71,753.00
Deferred Tax Assets		35,24,363.35	28,82,884.35
Long Term Loans & Advances	10	-	3,50,000.00
Other Non Current Assets	11	10,99,819.00	12,30,699.00
		16,44,95,935.35	16,43,35,336.35
2 Current Assets			
Trade Receivables	12	2,29,90,144.54	2,49,10,465.54
Cash & Cash Equivalent	13	1,35,58,585.60	35,56,080.45
Short Term Loans & Advances	14	1,17,000.42	93,481.42
Other Current Assets	15	57,09,963.56	56,16,878.81
		4,23,75,694.12	3,41,76,906.22
		33,13,81,000.46	33,82,12,115.31

Significant Accounting Policies and Notes forming part of Accounts 24

As Per Our Report Of Even Date
For M.L.Sharma & Co.
Firm Reg.No.109963W
Chartered Accountants

C.H.Bandi (Partner)
Membership No.5385

Place : Mumbai

Date : 26 MAY 2015

For Technosoft Engineering Projects Ltd.

Director

Director



Technosoft Engineering Projects Limited
(formerly known as Technosoft Information Technologies (India) Limited)

Statement Of Profit & Loss For The Period Ended 31st March 2015

Particulars	Note No.	For the year ended 31-Mar-15 Amount (Rs.)	For the year ended 31-Mar-14 Amount (Rs.)
Revenue			
Revenue From Operations	16	24,52,69,252.00	23,37,33,773.00
Other Income	17	2,23,35,216.18	2,46,88,230.15
Total Revenue		26,76,04,468.18	25,84,22,003.15
Expenses			
Engineering & Design Expenses	18	37,33,687.48	23,65,849.00
Employees Benefits Expenses	19	16,23,75,762.04	14,39,06,054.32
Finance Cost	20	46,99,669.94	71,36,163.18
Depreciation		2,24,89,147.12	1,97,57,893.78
Other Expenses	21	3,43,66,005.74	3,30,97,264.08
Total Expenses		22,76,64,272.32	20,62,63,224.36
Profit Before Taxation		3,99,40,195.86	5,21,58,778.79
Tax Expenses	22		
Current Tax		1,37,08,000.00	1,62,90,000.00
Deferred Tax		(23,58,560.00)	6,90,612.00
Profit After Tax		2,85,90,755.86	3,51,78,166.79
Earning Per Share (Basic & Diluted)	23	51.67	63.57
Significant Accounting Policies and Notes forming part of Accounts	24		

As Per Our Report Of Even Date
For M. L. Sharma & Co.
Firm Reg. No. 109963W
Chartered Accountants

For Technosoft Engineering Projects Ltd.

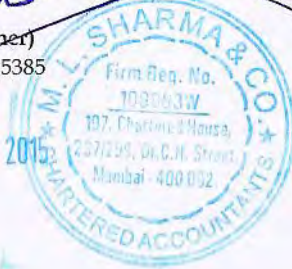
C.H. Bandi (Partner)
Membership No. 5385

Director

Director

Place : Mumbai

Date : 26 MAY 2015

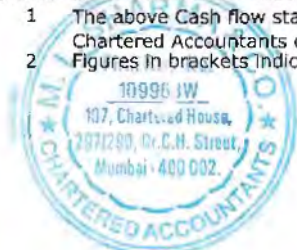


Technosoft Engineering Projects Limited
(formerly known as Technosoft Information Technologies (India) Limited)
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2015

PARTICULARS	AS AT . 31-03-2015 AMOUNT (Rs.)	AS AT 31-03-2014 AMOUNT (Rs.)
A. Cash flow from operating activities:		
Net (loss)/profit before tax	3,99,40,195.86	5,21,58,778.79
Adjustments for:		
Depreciation	2,24,89,147.12	1,97,57,893.78
Interest Expense	45,69,039.00	69,72,302.68
Interest Income	(4,70,847.04)	(3,75,645.14)
Gain on Exchange (Net)	8,57,308.75	(39,60,480.39)
Operating profit before working capital changes	6,73,84,843.69	7,45,52,849.72
Adjustments for changes in working capital :		
- (INCREASE)/DECREASE in Loans & Advances & other current asset	15,68,404.79	24,44,675.94
- (INCREASE)/DECREASE in Sundry Debtors	19,20,321.00	(10,90,970.34)
- INCREASE/(DECREASE) in Trade and Other Payables	(39,05,442.85)	13,98,064.79
Cash generated from operations	6,69,68,126.63	7,73,04,620.11
- Taxes (Paid) / Received	(1,24,98,143.00)	(1,29,89,956.00)
- Gain on Exchange (Net)	(8,57,308.75)	39,60,480.39
Net cash from operating activities (A)	5,36,12,674.88	6,82,75,144.50
B. Cash flow from Investing activities:		
Net realisation on Sale of Assets		
Purchase of Fixed Assets (including Capital WIP)	(85,43,455.53)	(2,73,16,450.69)
Interest Received	4,13,922.50	3,62,667.68
Net Changes In Investment	(81,29,533.03)	(8,08,87,867.00)
Net cash used in investing activities (B)	(81,29,533.03)	(10,78,41,650.01)
C. Cash flow from financing activities:		
Interest Paid	(45,69,039.00)	(69,72,302.68)
Net Short Term Borrowings from Holding Company	(2,85,17,177.77)	4,93,55,078.00
Net short term borrowings from Banks	(23,94,419.92)	(3,44,582.71)
Net cash used in financing activities (C)	(3,54,80,636.69)	4,20,38,192.61
Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	1,00,02,505.15	24,71,687.11
Cash and cash equivalents at the beginning of the year	35,56,080.45	10,84,393.34
Cash and cash equivalents at the end of the year	1,35,58,585.60	35,56,080.45
Cash and cash equivalents comprise		
Cash on hand	48,030.19	39,428.94
Balance with Scheduled Banks	1,35,10,555.41	35,16,651.51
Balance as per Balance Sheet	1,35,58,585.60	35,56,080.45

Notes to the Cash Flow Statement

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by The Institute of Chartered Accountants of India.
- Figures in brackets indicate cash outgo.



As per our Report of Even Date
For **M. L. SHARMA & Co.**
Firm Reg. No. 109963W
Chartered Accountants

(**G.H. BANDI**) PARTNER
M.No. 5285

DIRECTORS

Place: **Mumbai**
Date: **26 MAY 2015**

Technosoft Engineering Projects Limited
(formerly known as Technosoft Information Technologies (India) Limited)

Notes To Financial Statements For The Period Ended 31st March 2015

Particulars	As At	As At
	31/03/2015	31/03/2014
	AMOUNT (Rs.)	AMOUNT (Rs.)
Note "1" : Share Capital		
Authorised		
6,00,000 (P.Y.-6,00,000) Equity Shares Of Rs.10/- Each	60,00,000.00	60,00,000.00
	60,00,000.00	60,00,000.00

Issues, Subscribed & Paid Up

5,53,360 (P.Y.-5,53,360) Equity Shares of Rs 10/- each fully paidup	55,33,600.00	55,33,600.00
	55,33,600.00	55,33,600.00

Note :

Out of the above Equity Shares :-

A. 4,99,930 Equity Shares are held by Technocraft Industries (India) Limited, the Holding Company

B. 53,360 Equity Shares were Allotted Pursuant to Scheme of Arrangement with BMS Industries Limited, without payment being received in cash.

C) The company has only one class of Equity Shares having a par value of Rs. 10 per share.
Each Shareholder is eligible for one vote per share.

D) The Reconciliation of the number of share outstanding at the year end is set out below

Particulars	31/03/2015		31/03/2014	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	553360	5533600	553360	5533600
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	553360	5533600	553360	5533600

E) The details of Shareholder holding More than 5% shares is set out below

Name of the Shareholder	31/03/2015		31/03/2014	
	No. of Share held	% of Holding	No. of Share held	% of Holding
Technocraft Industries (India) Ltd	4,99,930.00	90.34	4,99,930.00	90.34

F) Other disclosure pursuant to Note no. 6 of Part I of Schedule III to the Companies Act, 2013 is either Nil or not applicable to the Company.

Note "2" : Reserves & Surplus

General Reserve

As Per Last Balance sheet	14,75,00,000.00	14,75,00,000.00
Add: Transfer from Current Year	-	-
	14,75,00,000.00	14,75,00,000.00

Capital Redemption Reserve

(Transferred A Sum Equal To Nominal Value Of Share
Capital Purchased In Accordance With Section 77A
Of The Companies Act, 1956.)
As Per Last Balance sheet

2,50,000.00	2,50,000.00
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Securities Premium

As Per Last Balance sheet	1,12,98,750.00	1,12,98,750.00
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Surplus in Statement of Profit & Loss

As Per Last Balance sheet	7,68,21,087.96	4,08,12,873.17
Add : Profit for the period	2,85,90,755.86	3,51,78,166.79
Add/ (Less) : Tax Adjustment of Earlier Years	(11,47,204.00)	8,30,048.00
Add/ (Less) : Transfer from Fixed Assets (Net of Deferred Tax)	(8,40,931.57)	-
	10,34,23,708.25	7,68,21,087.96
	26,24,72,458.25	23,58,69,837.96



Notes To Financial Statements For The Period Ended 31st March 2015

Particulars	As At	As At
	31-03-2015	31-03-2014
	AMOUNT (Rs.)	AMOUNT (Rs.)
Note "3" : Other Non Current Liabilities		
Deposits (from Tenants)	22,37,256.00	72,98,576.00
	<u>22,37,256.00</u>	<u>72,98,576.00</u>
Note "4" : Short Term Borrowings		
Loans and advances from Bank - Secured		
Overdraft with Bank of India (Secured against pledge of fixed Deposit)	75,26,326.93	99,20,746.85
Loans and advances from Holding Company - Unsecured		
Technocraft Industries (India) Ltd (Terms Of Repayment - On Demand) (Rate of Interest - 10% P.A)	-	5,26,08,977.77
Loans and advances from Related Party - Unsecured		
Ashrit Holdings Ltd (Terms Of Repayment - On Demand) (Rate of Interest - 10% P.A)	2,40,91,800.00	-
	<u>3,16,18,126.93</u>	<u>6,25,29,724.62</u>
Note "5" : Trade Payables		
Sundry Creditors (Other than Micro, Small & Medium Enterprises)	6,62,594.30	15,000.00
	<u>6,62,594.30</u>	<u>15,000.00</u>
Note "6" : Other Current Liabilities		
Other Liabilities For Expenses	79,38,702.91 ✓	1,15,32,321.24
TDS Payable	9,69,172.00 ✓	12,47,647.00
Statutory Dues to the Govt Department	35,600.00 ✓	48,408.42
Other Deposits	57,82,415.47	22,19,155.47
	<u>1,47,25,890.38</u>	<u>1,50,47,532.13</u>
Note "7" : Short Term Provisions		
Provision for Employee benefits		
Provision For Leave Salary	13,32,512.00	8,03,357.00
Gratuity Payable	54,78,196.00	40,30,222.00
	<u>68,10,708.00</u>	<u>48,33,579.00</u>
Others		
Provision for Income Tax	4,64,60,818.00	3,27,52,818.00
Less: Advance Tax	4,24,06,940.40	3,10,56,001.40
	<u>40,53,877.60</u>	<u>16,96,816.60</u>
	<u>1,08,64,585.60</u>	<u>65,30,395.60</u>



Technosoft Engineering Project Limited

(formerly known as Technosoft Information Technologies (India) Limited)

NOTE - "B" FIXED ASSETS AND DEPRECIATION

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 01-04-2014	Addition During the year	Sale/ Transfer	As on 31-03-2015	Upto 01-04-2014	For the Period	Adjustment Written Off to Retained Earnings	Upto 31-03-2015	W.D.V. As on 31-03-2015	W.D.V. As on 31-03-2014
INTANGIBLE ASSETS										
LAND & BUILDING										
Leasehold Land (B-14)	76,872.00	-	-	76,872.00	35,030.00	898.00	-	35,928.00	40,944.00	41,842.00
Factory Building (B-14)	1,24,65,269.78	-	-	1,24,65,269.78	58,14,405.97	2,89,546.92	(7,912.26)	60,96,040.63	63,69,229.15	66,50,863.81
Office Building (phase I & II)	10,79,56,921.15	-	-	10,79,56,921.15	1,49,50,060.00	45,40,593.43	-	1,94,90,653.43	8,84,66,267.72	9,30,06,861.15
Office Premises (Decision Tower Office - pu)	33,68,175.00	-	-	33,68,175.00	11,74,982.00	1,07,647.11	-	12,82,629.11	20,85,545.89	21,93,193.00
Staff Quarter	11,97,880.00	-	-	11,97,880.00	3,90,118.00	39,236.05	-	4,29,354.05	7,68,525.95	8,07,762.00
PLANT & MACHINERY										
Facsimile Machine	15,500.00	-	-	15,500.00	13,361.00	-	1,364.00	14,725.00	775.00	2,139.00
Computer	3,58,59,247.84	41,61,070.66	-	4,00,20,318.49	3,10,00,973.36	55,28,279.31	(1,28,866.11)	3,63,00,386.56	37,19,931.93	48,58,274.48
Electrical Installation	1,50,24,638.63	4,31,543.76	-	1,54,56,182.39	56,97,236.15	31,38,766.56	-	88,36,002.71	66,20,179.68	93,27,402.48
Air Conditioner	61,32,968.10	9,43,622.80	-	70,76,590.90	28,57,456.00	15,31,923.13	13,21,127.78	57,10,506.91	13,66,083.99	32,75,512.10
Tube Well (B-14)	93,220.38	-	-	93,220.38	9,550.42	38,360.11	3,834.20	51,744.74	41,475.64	83,669.96
Generator (B-14)	25,13,373.00	-	-	25,13,373.00	20,54,636.00	1,08,837.05	-	21,63,473.05	3,49,898.95	4,58,737.00
Office Equipments	10,30,966.67	46,575.00	-	10,77,541.67	4,64,159.25	3,52,566.18	1,08,102.66	9,24,828.08	1,52,713.59	5,66,807.42
Water cooler	45,228.24	-	-	45,228.24	23,931.00	14,260.03	3,867.06	42,058.08	3,170.16	21,297.24
Motor Car & Vehicals	45,26,619.00	-	-	45,26,619.00	18,54,864.33	9,01,151.60	-	27,56,015.93	17,70,603.07	26,71,754.67
Laboratory Equipments	17,84,765.49	-	-	17,84,765.49	3,19,525.22	4,09,104.39	-	7,28,629.61	10,56,135.88	14,65,240.27
FURNITURE & FIXTURES										
	1,44,34,680.21	10,51,001.93	-	1,54,85,682.13	70,57,889.55	25,54,188.14	43,293.24	96,55,370.94	58,30,311.19	73,76,790.66
II) INTANGIBLE ASSETS										
Computer Software	2,51,02,571.56	19,09,641.39	-	2,70,12,212.95	1,82,10,845.65	29,33,789.10	-	2,11,44,634.75	58,67,578.20	68,91,725.91
	23,16,28,897.04	85,43,455.53	-	24,01,72,352.58	9,19,29,023.90	2,24,89,147.12	12,44,810.57	11,56,62,981.59	12,45,09,370.99	13,96,99,873.15
PREVIOUS YEAR	20,19,80,848.44	2,96,48,048.61	-	23,16,28,897.04	7,21,71,130.12	1,97,57,893.78	-	9,19,29,023.90	13,96,99,872.74	12,98,09,718.32
Capital Work in Progress										



Notes To Financial Statements For The Period Ended 31st March 2015

Particulars	As At	As At
	31-03-2015	31-03-2014
	AMOUNT (Rs.)	AMOUNT (Rs.)
Note "9" : Non Current Investments		
Investment in Equity Shares of Subsidiaries - (Unquoted - Trade)		
5900000 (P.Y Nil) Class "A" Common Fully Paid up & Non Assessable Shares in the Capital of Swift Engineering Inc	8,08,87,867.00	8,08,87,867.00
1996.80 (P.Y. 1996.80) Shares of Impact Enng. Solutions Inc (USA) Aggregate Amount Of Unquoted Investment	7,89,83,886.00	7,89,83,886.00
	<u>15,98,71,753.00</u>	<u>15,98,71,753.00</u>
Book Value of Unquoted Investment	15,98,71,753.00	15,98,71,753.00
Note "10" : Long Term Loans & Advances		
Capital Advances	-	3,50,000.00
	<u>-</u>	<u>3,50,000.00</u>
Note "11" : Other Non Current Assets		
Deposit with Govt. Dept.	10,99,819.00	12,30,699.00
	<u>10,99,819.00</u>	<u>12,30,699.00</u>
Note "12" : Trade Receivables		
(Unsecured, Considered Good by the Management)		
Outstanding For Over Six Months	-	7,52,081.00
Other Debts	2,29,90,144.54	2,41,58,384.54
	<u>2,29,90,144.54</u>	<u>2,49,10,465.54</u>
Note "13" : Cash & Cash Equivalent		
Balances With Scheduled Banks		
In Current Account	555.41	6,651.51
Cash On Hand	48,030.19	39,428.94
Others		
In Fixed Deposit Accounts Between 3 & 12 Months Initial Maturity (Fixed Deposits are Pledged against Bank Over Draft Account)	1,35,10,000.00	35,10,000.00
	<u>1,35,58,585.60</u>	<u>35,56,080.45</u>
Note "14" : Short Term Loans & Advances		
Unsecured, Considered good by Management Staff Advances	1,17,000.42	93,481.42
	<u>1,17,000.42</u>	<u>93,481.42</u>
Note "15" : Other Current Assets		
Interest Receivables	1,37,013.00	80,088.46
Deposits	5,25,500.00	6,75,500.00
Prepaid Expenses	20,69,945.18	15,32,964.15
Balance With Service Tax/ Excise Dept	3,70,075.69	4,06,879.14
Balance With Sales Tax Dept	16,92,100.49	18,94,930.06
Other Receivables	9,15,329.20	10,26,517.00
Advance Tax	-	-
Less: Provision for Income Tax	-	-
	<u>57,09,963.56</u>	<u>56,16,878.81</u>



Notes To Financial Statements For The Period Ended 31st March 2015

Particulars	As At 31-03-2015 AMOUNT (Rs.)	As At 31-03-2014 AMOUNT (Rs.)
Note "16" : Revenue From Operations		
Sale of Services		
Export (Net)	23,27,22,113.00	21,94,27,230.00
Local	1,25,47,139.00	1,43,06,543.00
(Tds Deducted Rs.12,54,718/- (Previous Year Rs.1565571/-)	<u>24,52,69,252.00</u>	<u>23,37,33,773.00</u>
Note "17" : Other Income		
Interest Income (TDS deducted Rs 34,318/- (Previous year Rs.19160/-)	4,70,847.04	3,75,645.14
Rent Received (TDS Deducted Rs.20,68,813/- (Previous year Rs.2116861/-)	1,88,32,162.00	1,99,46,834.00
Other Non-Operating Income	30,32,207.14	4,05,270.62
Diff in Foreign Currency(net)	-	39,60,480.39
	<u>2,23,35,216.18</u>	<u>2,46,88,230.15</u>
Note "18" : Engineering, & Design Charges		
Engineering & Design Charges Paid	37,33,687.48	23,65,849.00
	<u>37,33,687.48</u>	<u>23,65,849.00</u>
Note "19" : Employment Benefit Expenses		
Salary & Wages (net)	4,60,21,866.00	4,22,35,545.00
Allowances (net)	11,34,40,065.34	10,00,50,266.32
Gratuity	15,80,591.00	5,94,809.00
Contribution to provident and other funds	8,17,900.00	4,27,541.00
Staff/Workers Welfare	5,13,339.50	5,98,093.00
	<u>16,23,75,762.04</u>	<u>14,39,06,054.32</u>
Note "20" : Finance Cost		
Interest expenses		
Interest To Bank	15,611.00	19,111.00
Interest To Others	45,53,428.00	69,53,191.68
	<u>45,69,039.00</u>	<u>69,72,302.68</u>
Other borrowing costs		
Bank Charges	1,30,630.94	1,63,860.50
	<u>46,99,669.94</u>	<u>71,36,163.18</u>
Note "21" : Other Expenses		
Advertisement	2,79,023.00	3,66,197.00
Legal & Professional Expenses	76,46,994.00	59,74,669.00
Commission / Brokerage	1,10,675.00	4,18,000.00
Sales Promotion	9,49,813.25	10,82,281.32
Power and Electricity Expenses	29,34,977.00	23,10,765.00
Travelling Expenses	89,90,982.07	1,04,23,747.09
Vehicle Expenses	9,48,994.50	5,25,707.00
Postage Telegram & Telephone Expenses.	25,14,396.81	24,61,159.27
Printing & Stationery	2,82,672.74	2,76,164.22
Rent Rates & Taxes	26,52,001.00	13,63,065.00
Water Charges	1,27,843.00	1,43,189.00
Insurance (General)	34,135.15	25,699.78
Licence and Membership Fees	6,50,020.56	3,33,256.00
Building Repairs	14,60,331.87	29,06,114.72
Other Repairs & Maintenance	11,11,152.46	14,49,986.79
Computer Expenses	23,29,888.11	21,48,551.98
Training Expenses Paid	2,07,896.40	-
Miscellaneous Expenses	1,41,709.78	86,868.52
Auditors Remuneration		
Audit Fees	1,00,000.00	1,00,000.00
Tax Audit	25,000.00	25,000.00
Taxation matters	5,000.00	-
Other Matters/ Out of Pocket Expenses	4,090.00	5,080.00
Diff in Foreign Currency(net)	8,57,308.75	-
Sundry Balances W/off	1,100.29	6,71,762.39
	<u>3,43,66,005.74</u>	<u>3,30,97,264.98</u>



Notes To Financial Statements For The Period Ended 31st March 2015

Particulars	As At 31-03-2015 AMOUNT (Rs.)	As At 31-03-2014 AMOUNT (Rs.)
Note "22" : Tax Expenses		
(1) Current Tax Current Income Tax	1,37,08,000.00	1,62,90,000.00
	1,37,08,000.00	1,62,90,000.00
(2) Deffered Tax	(23,58,560.00)	6,90,612.00
	1,13,49,440.00	1,69,80,612.00
Note "23" : Earning Per Share		
Net Profit Attributable to Equity Shareholders	2,85,90,755.86	3,51,78,166.79
Weighted average number of Equity Shares outstanding during the year	5,53,360	5,53,360
Basic & Diluted Earning Per Share (On Nominal value of Rs. 10/- per Share)	51.67	63.57



NOTE- 24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015.

I. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

These Financial Statements are prepared on the historical cost basis in accordance with generally accepted accounting principles in India and comply with the Accounting standards issued by The Institute of Chartered Accountants of India and the Provisions of the Companies Act, 2013 on the accounting principles of going concern.

Accounting Principles not specifically referred to otherwise be consistent and in consonance with the generally accepted accounting principles.

2. RECOGNITION OF INCOME AND EXPENDITURE

Income and expenditure are recognised on accrual basis except Claims receivable which is accounted on Cash basis.

3. SALES AND SERVICE CHARGES

Sales are reported net of trade discount, claims, returns, rebates, Service Tax and VAT. Engineering & Design Service charges is recognized on the basis of achievement of prescribed milestones as relevant to each contract or proportionate completion method, as applicable.

4. FIXED ASSETS

All the Fixed Assets have been valued at historical cost less accumulated depreciation.

5. DEPRECIATION

Depreciation on Tangible fixed assets has been provided on the Written down Value Method based on the Useful Life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on Additions to Tangible Fixed Assets or on sale / Disposal of Tangible Fixed Assets is calculated on Prorata basis from the Quarter in which such additions or up to the Quarter of such Sale/Disposal is made as the case may be.

6. EMPLOYEE BENEFITS

The Leave encashment and Gratuity Liability is determined by actuarial valuation using the Project Unit Credit Method as specified in AS 15 (Revised) "Employee Benefits" and the Liability is fully charged to the statement of Profit and Loss. Actuarial Gain and Losses arising on such valuation are also recognised immediately in the statement of Profit and Loss.

7. INVESTMENTS

Long-term investments are valued at cost. Provision for Diminution is made to recognize a decline, other than Temporary, in the value of Long Term Investments. Current Investments are valued at Cost or Fair/Market Value whichever is lower.

8. FOREIGN EXCHANGE TRANSACTIONS

- Transactions denominated in foreign currency are normally accounted for at the exchange rate prevailing at the time of transaction.
- Monetary assets (including Loans advanced to subsidiaries) and Liabilities in foreign currency transactions remaining unsettled at the end of the year (other than forward contract transactions) are translated at the year end rates and the corresponding effect is given to the respective account.



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Notes to the financial statements for the year ended on 31st March, 2015.

- Exchange differences' arising on account of fluctuations in the rate of exchange is recognized in the Statement of Profit & Loss.
- Exchange rate difference arising on account of conversion/translation of liabilities for acquisition of Fixed Assets is recognized in the Statement of Profit & Loss.

9. TAXATION

Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred tax resulting from "timing difference" between book Profit and taxable profit is accounted for using the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet Date. Deferred tax assets are recognized, only to the extent there is a reasonable certainty of its realisation. At each Balance sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realisation.

10. INTANGIBLE ASSETS

Intangible Assets are recognized by the Company only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the same can be measured reliably. Intangible Assets are amortized on a systematic basis over its useful life and the amortization for each period will be recognized as an expense.

11. IMPAIRMENT

An asset is treated as impaired when the carrying cost of the asset exceeds its Recoverable Value being higher of value in use and Net Selling Price. Value in Use is computed at Net Present Value of Cash Flow Expected over the balance useful life of the asset. An Impairment loss is recognized as an expense in the Statement of Profit & Loss in the year in which an asset is identified as impaired.

Reversal of Impairment Losses recognized in prior years is recorded when there is an indication that the Impairment Loss recognized for the asset no longer exists or have decreased.

12. PROVISION

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

13. CONTINGENT LIABILITIES

Contingent Liabilities are not provided for in the accounts. These are disclosed by way of Notes to the Accounts.



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II. NOTES TO ACCOUNTS

1. RETIREMENT BENEFITS

➤ In respect of Leave Encashment as per the Revised Accounting Standard (AS) -15 on "Retirement Benefits", the Company has Charged Leave Encashment Expenses of Rs 7,16,096/- in the Statement of Profit & Loss.

Net asset/ (liability) recognized in the Balance Sheet

SR	Funded Status	(Rs.)	(Rs.)
		31.03.2015	31.03.2014
a)	Present Value of Defined Benefit Obligation	13,32,512	8,03,357
b)	Fair Value of Plan Assets	-	-
c)	Net Asset/(Liability) Recognized in Balance Sheet	(13,32,512)	(8,03,357)

Total Expenses recognized in the statement of Profit & Loss for year ended on

SR	Components Of Employer Expenses	(Rs.)	(Rs.)
		31.03.2015	31.03.2014
a)	Current Service Cost	11,41,095	5,82,510
b)	Interest Cost	64,600	34,482
c)	Expected return on plan asset	-	-
d)	Actuarial Losses/(Gains)	(4,89,599)	23,060
e)	Total Expenses (Income) recognized in Statement of Profit & Loss	7,16,096	6,40,052

Reconciliation of Defined Benefit Obligation and fair Value of Assets for the year ending on

A	Change in Defined Benefit Obligation	(Rs.)	(Rs.)
		31.03.2015	31.03.2014
a)	Present Value of DBO at beginning of the year	8,03,357	6,93,395
b)	Current Service Cost	11,41,095	5,82,510
c)	Interest Cost	64,600	34,482
d)	Actual (Gains)/losses	(4,89,599)	23,060
e)	Benefits Paid	(1,86,941)	(5,30,090)
f)	Present Value of DBO at the end of year	13,32,512	8,03,357
B	Change in Fair Value of Assets		
a)	Plan assets At the Beginning of year	-	-
b)	Adjustment to Opening Fair Value of Plan Assets	-	-
c)	Expected Return on plan assets	-	-
d)	Actual Company contributions	1,86,941	5,30,090
e)	Actual Gains/(losses) on plan assets	-	-
f)	Benefits paid	(1,86,941)	(5,30,090)
g)	Plan assets at the end of year	-	-



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Principal Actuarial Assumptions at the Balance Sheet date

Discount Rate	7.85%	9.10%
Rate of return (expected) on plan Assets	-	-
Rate of increase in Compensation	5.00%	5.00%
Expected Average remaining working lives of employees (years)	26.24	27.78

- In respect of Gratuity as per the Revised Accounting standard (AS)-15 on "Retirement Benefits", the company has charged Gratuity Expenses of Rs 15,80,591/- in the Statement of Profit & Loss.

Net asset/ (liability) recognized in the Balance Sheet as on

SR	Funded Status	(Rs.)	(Rs.)
		31.03.2015	31.03.2014
a)	Present Value of Defined Benefit Obligation	54,78,196	40,30,222
b)	Fair Value of Plan Assets	-	-
c)	Net Asset/(Liability) Recognized in Balance Sheet	(54,78,196)	(40,30,222)

Total Expenses recognized in the statement of Profit & Loss for year ended on

SR	Components of Employer Expenses	(Rs.)	(Rs.)
		31.03.2015	31.03.2014
a)	Current Service Cost	12,01,809	9,86,074
b)	Interest Cost	3,60,716	2,78,549
c)	Expected return on plan asset	-	-
d)	Actuarial Losses/(Gains)	18,066	(6,69,814)
e)	Total Expenses (Income) recognized in Statement of Profit & Loss	15,80,591	5,94,809

Reconciliation of Defined Benefit Obligation and fair Value of Assets for the year ending on

A	Change in Defined Benefit Obligation	(Rs.)	(Rs.)
		31.03.2015	31.03.2014
a)	Present Value of DBO at beginning of the year	40,30,222	34,85,051
b)	Current Service Cost	12,01,809	9,86,074
c)	Interest Cost	3,60,716	2,78,549
d)	Actual (Gains)/losses	18,066	(6,69,814)
e)	Benefits Paid	(1,32,617)	(49,638)
f)	Present Value of DBO at the end of year	54,78,196	40,30,222
B	Change in Fair Value of Assets		
a)	Plan assets At the Beginning of year	-	-
b)	Adjustment to Opening Fair Value of Plan Assets	-	-
c)	Expected Return on plan assets	-	-
d)	Actual Company contributions	1,32,617	49,638



TECHNOFT ENGINEERING PROJECTS LIMITED
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 Notes to the financial statements for the year ended on 31st March, 2015.

e)	Actual Gains/(losses) on plan assets	-	-
f)	Benefits paid	(1,32,617)	(49,638)
g)	Plan assets at the end of year	-	-

Principal Actuarial Assumptions at the Balance Sheet date

Discount Rate	7.85%	9.10%
Rate of return (expected) on plan Assets		
Rate of increase in compensation	5.00%	5.00%
Expected Average remaining working lives of employees (years)	26.24	27.78

2. TAXES ON INCOME

In compliance with the Accounting Standard-22 "Accounting for Taxes on Income" which has become mandatory, the company has Created Deferred Tax Asset (net) amounting to Rs 27,62,439/- out of which Rs 23,58,560/- has been credited to Statement of Profit & Loss & Rs 4,03,879 has been credited to the Statement of Profit & Loss under Reserves & Surplus.

PARTICULARS	For the Year ended 31 st March 15 (Rs)	For the Year ended 31 st March 14 (Rs)
a) DEFERRED TAX LIABILITY / (ASSETS) ARE THE TAX EFFECT OF THE FOLLOWING ITEMS		
On Account of Difference in Depreciation	(17,17,081)/-	13,98,887/-
On Account of Provision for diminution in Value of Investments	-	10,43,884/-
On Account of Leave Encashment	(1,71,684)	(2,60,649)
On Account of Gratuity	(4,69,795)	(1,76,881)
On Account of Long Term Capital Loss	-	(13,14,629)
On Account of Depreciation on Fixed Assets whose Life has expired as on 1-4-2014 as per Schedule II to Companies Act, 2013.	(4,03,879)	-
NET IMPACT	(27,62,439)	6,90,612/-
b) POSITION OF DEFERRED TAX ASSETS & LIABILITIES AS ON BALANCE SHEET DATE ARE AS UNDER		
Deferred Tax Liabilities		
On Account of Timing Difference in depreciation	32,66,489/-	53,87,449/-
Deferred Tax Liabilities	32,66,489/-	53,87,449/-
Deferred Tax Assets		
On Account of Gratuity	17,77,401/-	13,07,606/-
On Account of Leave Encashment	4,32,333/-	2,60,649
On Account of Long Term Capital Loss	13,14,629/-	13,14,629/-
Deferred Tax Assets	35,24,363/-	28,82,884/-



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3. CONTINGENT LIABILITIES

Contingent Liabilities and Commitments not provided for	Year ended 31.03.2015 Rs.	Year ended 31.03.2014 Rs.	Status
Bombay Sales Tax Act, 1959 B.S.T. for A.Y. 2000-2001	NIL	54,505/-	Appeal Filed before Deputy Comm. of Sales Tax
Bombay Sales Tax Act, 1959 B.S.T. for A.Y. 2001-2002	NIL	96,646/-	Appeal Filed before Deputy Comm. of Sales Tax
Bombay Sales Tax Act, 1959 B.S.T. for A.Y. 2002-2003	NIL	28,575/-	Appeal Filed before Deputy Comm. of Sales Tax
Central Sales Tax Act, 1956 CST for A.Y 2008-09	1,56,961	-	Appeal Filed before Deputy Comm. of Sales Tax
Income Tax Penalty for A.Y 11-12	94,000	-	Appeal Filed before CIT(A)
Income Tax Demand for A.Y 12-13	8,16,190	-	Appeal Filed before CIT(A)

4. DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS

In compliance with the AS-18 "Related Party Disclosure", which has become mandatory, the required information is as under:-

(I) LIST OF RELATED PARTIES

SR.NO	NAME OF THE RELATED PARTY
I	KEY MANAGEMENT PERSONNEL (KMP)
1	Sharad Kumar Saraf
2	Sudarshan Kumar Saraf
3	Navneet Kumar Saraf
4	Madhoprasad Saraf (Till 11-12-2014)
II	RELATIVES & ENTERPRISES OF KMP
1	Shanti Devi Saraf
2	Suman Saraf
3	Shakuntala Saraf
4	Ashish Kumar Saraf
5	Priyanka Saraf
6	Ritu Saraf
7	Nidhi Saraf
III	HOLDING COMPANY
1	Technocraft Industries(India) Ltd
IV	SUBSIDIARY COMPANIES
1	Technosoft Engineering Inc.(Formerly Known as Impact Engineering Solutions Inc.)
2	Swift Engineering Inc.
V	FELLOW SUBSIDIARIES
1	Technocraft Trading Sp. Zoo
2	Technocraft Australia PTY Ltd.
3	Technocraft International Limited
4	Anhui Steel Technology Ltd



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Notes to the financial statements for the year ended on 31st March, 2015.

5	Shreyan Infra & Power LLP
VI	Enterprises Significantly Influenced by KMP or Relatives of KMP
1	Ashrit Holdings Limited
2	M.D.Saraf Securities Pvt. Ltd
3	BMS Industries Ltd
4	M.T. Information Technologies
5	Technocraft Tabla Formwork Systems Private Ltd

(II) NAMES OF THE RELATED PARTIES WITH WHOM TRANSACTIONS WERE CARRIED OUT DURING THE YEAR AND DESCRIPTION OF RELATIONSHIP

SR.NO	RELATED PARTIES
I	HOLDING COMPANY
1	Technocraft Industries(India) Ltd
II	SUBSIDIARY COMPANIES
1	Technosoft Engineering Inc.(Formerly Known as Impact Engineering Solution Inc.)
2	Swift Engineering Inc.
III	FELLOW SUBSIDIARIES
1	Technocraft International Limited
2	Technocraft Australia Pty Ltd
IV	Enterprises Significantly Influenced by KMP or Relatives of KMP
1	BMS Industries Ltd
2	Ashrit Holdings Ltd

(III) DETAILS OF TRANSACTION WITH RELATED PARTIES

Sr. No	Nature of Relationship/ Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Enterprises Significantly Influenced by KMP or Relatives of KMP	Total (Rs)
1	Sale of Goods & Services	1,18,38,739 (1,30,77,504)	7,37,64,288 (7,95,05,902)	10,68,45,471 (8,67,36,874)	7,08,400 (12,29,039)	19,31,56,898 (18,05,49,319)
2	Loan Taken	13,43,21,905 (26,48,59,078)	NIL (NIL)	NIL (NIL)	3,16,91,800 (NIL)	16,60,13,705 (26,48,59,078)
3	Loan Repaid	18,69,30,883 (21,55,04,000)	NIL (NIL)	NIL (NIL)	76,00,000 (NIL)	19,45,30,883 (21,55,04,000)
4	Purchases of Fixed Assets	NIL (NIL)	41,922 (1,77,134)	NIL (NIL)	NIL (NIL)	41,922 (1,77,134)
5	Interest Paid	44,51,428 (69,52,552)	NIL (NIL)	NIL (NIL)	1,02,000 (NIL)	45,53,428 (69,52,552)



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Notes to the financial statements for the year ended on 31st March, 2015.

6	Outstation Allowance	NIL (NIL)	NIL (NIL)	7,14,19,130 (4,69,56,943)	NIL (NIL)	7,14,19,130 (4,69,56,943)
7	Reimbursement of Expenses	NIL (41,470)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (41,470)
8	Purchase of Goods & Services	4,83,542 (NIL)	5,99,848 (33,69,522)	NIL (NIL)	NIL (NIL)	10,83,390 (33,69,522)
9	Recovery of Expenses	NIL (NIL)	16,85,154 (9,12,810)	NIL (NIL)	NIL (NIL)	16,85,154 (9,12,810)
10	Investment in Share Capital	NIL (NIL)	NIL (8,08,87,867)	NIL (NIL)	NIL (NIL)	NIL (8,08,87,867)

IV. AMOUNT DUE TO/ FROM RELATED PARTIES

Sr. No	Nature Of Relationship/ Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Enterprises Significantly Influenced by KMP or Relatives of KMP	Total (Rs)
1	Trade & Other Receivables	NIL (8,12,084)	57,15,172 (8,23,97,970)	60,28,075 (1,10,89,602)	NIL (64,487)	1,17,43,247 (9,43,64,143)
2	Loans Payable	NIL (5,26,08,978)	NIL (NIL)	NIL (NIL)	2,40,91,800 (NIL)	2,40,91,800 (5,26,08,978)

Previous year's figures are given in Bracket ().

- Any Additions to Computer Software has been Capitalised as Intangible Assets & the same has been amortised over the period of 3 years.
- As per AS - 17 in respect of segment reporting, the only segment in which company deals is rendering of Engineering ,Design and other related Information Technology Enabled Services.
- Pursuant to the Enactment of Companies Act, 2013 the Company has applied the estimated useful life as specified in Schedule II. The Written Down Value of Fixed Assets (net of residual Value) whose life has expired as at 1st April 2014 have been adjusted (net of Deferred Tax) against the Opening Surplus Balances in the Statement of Profit & Loss under Reserves & Surplus. For other assets the Carrying amount as on 1-4-2014 will be amortised over the remaining useful life of the assets. As a result an amount of Rs 8,40,931 (net of Deferred Tax of Rs 4,30,879/-) has been adjusted to the Statement of Profit & Loss under Reserves & Surplus. The net Depreciation Charge for the Year is higher by Rs 12,88,564/-
- Additional information pursuant to provisions of Paragraphs 5(viii) (b & c) of Part II of Schedule III to the Companies Act ,2013

Sr. No.	Particulars	Year Ended 31 st March 15 Amount (Rs)	Year Ended 31 st March 14 Amount (Rs)
A)	Income in Foreign Currency		
1	Export Sales (Net)	23,27,22,113/-	21,94,27,230/-



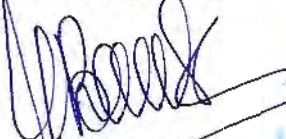
TECHNOFT ENGINEERING PROJECTS LIMITED
(Formerly known as Technosoft Information Technologies India Ltd)
Notes to the financial statements for the year ended on 31st March, 2015.

B)	<u>Expenditure in Foreign Currency</u>		
1	Engineering and Design Charges	-	1,38,573/-
2	Foreign Travelling	4,42,967/-	8,22,193/-
3	Outstation Allowance	7,99,68,637/-	6,83,14,989/-
4	Consultancy Charges	2,04,725/-	2,34,375/-
5	E-mail Internet Expenses	2,17,554/-	-
6	Bank Charges	57,671/-	78,356/-
7	Professional Fees	-	4,87,114/-
8	Sales Promotion	1,15,970/-	3,57,355/-
9	Postage and Telegram	2,605/-	-
	Total	8,10,10,129/-	7,04,32,955/-

9. According to the company, Engineering & design activity is a service activity and therefore the same is covered under Para 5 (ii) (c) of part II of schedule III to the companies Act, 2013 and therefore quantity details are not given.
10. In the opinion of Board of Directors the Current Assets, Loans and Advances are approximately of the value stated as realizable in the ordinary course of business and the provisions of all known liabilities are adequate.
11. The Balances appearing under the head Trade receivables, loans and advances, current liabilities are subject to confirmation and reconciliation, if any.
12. Cash Flow Statement is annexed herewith.
13. The previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with the figures of current financial year.
14. Additional information pursuant to Part II of Schedule III of the Companies Act, 2013 are either NIL or N.A.

Signature to Notes 1 to 24 attached

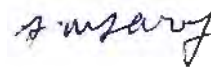
As per our report of even date
 For M.L. SHARMA & Co.
 Firm Reg. No. 109963W
 Chartered Accountants


 (C.H. BANDHI) PARTNER
 M.NO: 5385
 Place: Mumbai



For Technosoft Engineering Projects Limited


 Director


 Director

Date: 26 MAY 2015

Technocraft Tabla Formwork Systems Limited



M. L. SHARMA & CO. (Regd.)
CHARTERED ACCOUNTANTS

107, Chartered House, 297-299, Dr. C.H. Street, Behind Dolours Church, Marine Lines, Mumbai-400 002
☎: (022) 2201 0808, 2201 1010 • Fax: (022) 2201 1414 • Resi.: (022) 2613 4916 • E-mail: mlsharma@mlsharma.in

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TECHNOCRAFT TABLA FORMWORK SYSTEM PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TECHNOCRAFT TABLA FORMWORK SYSTEM PRIVATE LIMITED**, ("the company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that



we comply with ethical requirements and 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, 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 audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its **Loss** and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 (the order) ; issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

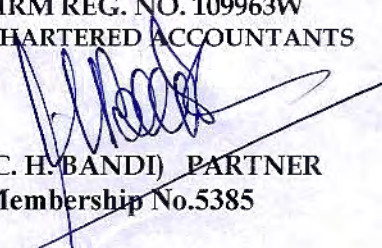


- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the Written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note no. 9 of note no. 19 of the notes to the Financial Statements in respect of contingent liability.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amount, which were required to be transferred, to the investor Education and Protection Fund by the Company.



Place of Signature: Mumbai
Date: 26 MAY 2015

For M. L. SHARMA & CO.
FIRM REG. NO. 109963W
CHARTERED ACCOUNTANTS


(C. H. BANDI) PARTNER
Membership No. 5385

ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

The Annexure referred to in our Report of even date to the Members of TECHNOCRAFT TABLA FORMWORK SYSTEM PRIVATE LIMITED for the year ended 31st March, 2015. We report that:

- 1a The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- 1b As explained to us, the fixed assets of the company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- 2 a The stock of Finished Goods have been physically verified during the year by the Management. In our opinion the frequency of verification is reasonable. In respect of inventories lying with the third parties, these have substantially been confirmed by them.
- 2 b In our opinion, the procedure of physical verification of the above Inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- 2 c On the basis of our examination of the Inventory records, in our opinion, the Company is maintaining proper records of the inventories. The discrepancies noticed between the physical stock and book stocks were not significant and the same have been properly dealt with in the Books of Account.
- 3 The Company has not granted any loans, secured or unsecured to the Companies, Firms or other parties covered in the register maintained under section 189 of the companies Act, 2013 and Accordingly, provision of clause iii (a) & (b) of the Order are not applicable to the Company
- 4 In our opinion, and according to the information and explanations given to us, there is an adequate Internal Control system commensurate with the size of the Company and the nature of its business, for the purchase of Inventory and Fixed Assets and for the sale of goods and services. Further on the basis of our examination of the Books and records of the Company and according to the information and explanation given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid Internal control System.
5. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of



6. According to the information, explanations given to us and the books & records examined by us, since the company is carrying out only trading activity during the year therefore Maintenance of cost records under section 148 (1) of the Companies Act, 2013 is not applicable to the company.
- 7 a According to the information and explanations given to us, the provisions of Provident Fund, State Insurance and Sales Tax are not applicable to the company. However, the company is regular in depositing Income tax, Wealth Tax, Service tax and any other statutory dues with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at 31st March, 2015 for a period exceeding six months from the date they became payable;
- 7 b According to the information and explanation given to us and the records of the Company examined by us, the Particulars of disputed statutory dues under various act as at 31st March, 2015 which have not been deposited with the appropriate authorities are as under:-

Name of the Statute	Nature of dues	Amount (Rs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand and Penalty For A.Y 2011-2012	Rs. 2,06,130/- (Net Of Payment of Rs. 2,07,000)	CIT (Appeal), Mumbai, 18

- 7 c There was no amount, which was required to be transferred, to the investor Education and Protection Fund by the Company.
8. The Company has incurred cash losses during the current Financial Year as well as in the immediately preceding Financial Year however its accumulated losses are not more than fifty percent of its net worth as at the end of the Current Financial year.
9. According to information & explanations given to us and the books and records examined by us, the Company has not defaulted in repayment of dues to Banks as at the Balance sheet date. The company does not have any outstanding debentures.
10. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by other parties from Bank and Financial Institutions during the year and accordingly the provisions of clause x of the order is not applicable to the Company.

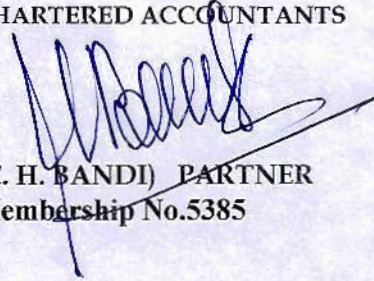


11. In our opinion and according to the information and explanations given to us, the Company has not taken any term loans during the year and accordingly the provisions of clause xi of the order are not applicable to the Company.
12. According to the information and explanations given to us by the management which has been relied upon by us, there were no frauds on or by the company were noticed or reported during the year.



Place of Signature: Mumbai
Date: 26 MAY 2015

For M. L. SHARMA & CO.
FIRM REG. NO. 109963W
CHARTERED ACCOUNTANTS


(C. H. BANDI) PARTNER
Membership No.5385

Technocraft Tabla Formwork Systems Pvt. Ltd.

Balance sheet as on 31-3-2015

Particulars	Note	As at 31/03/2015 Amount (Rs.)	As at 31/03/2014 Amount (Rs.)
I Equity And Liabilities			
1 Shareholders Funds			
Share Capital	1	1,00,00,000.00	1,00,00,000.00
Reserves & Surplus	2	(37,19,566.54)	(35,59,225.88)
		<u>62,80,433.46</u>	<u>64,40,774.12</u>
2 Current Liabilities			
Short Term Borrowings	3	-	3,71,49,404.15
Trade Payable	4	-	26,32,302.13
Other Current Liabilities	5	33,86,112.34	8,18,248.24
Short Term Provisions	6	2,48,938.00	1,96,740.00
		<u>36,35,050.34</u>	<u>4,07,96,694.52</u>
		<u>99,15,483.80</u>	<u>4,72,37,468.64</u>
II Assets			
1 Non Current Assets			
Fixed Assets	7		
Tangible Assets		14,404.32	29,762.51
Intangible Assets		0.00	7,03,917.17
		<u>14,404.32</u>	<u>7,33,679.68</u>
Deferred Tax Assets		15,45,477.00	15,03,629.00
Other Non Current Assets	8	11,92,822.00	11,92,822.00
		<u>27,38,299.00</u>	<u>26,96,451.00</u>
2 Current Assets			
Inventories	9	-	3,23,52,308.00
Trade Receivables	10	8,52,409.51	82,30,653.01
Cash And Cash Equivalent	11	37,39,329.27	17,832.11
Other Current Assets	12	25,71,041.70	32,06,544.85
		<u>71,62,780.48</u>	<u>4,38,07,337.97</u>
		<u>99,15,483.80</u>	<u>4,72,37,468.64</u>

Significant accounting Policies and Notes forming part of accounts

22

As per our Report of Even Date
For M. L. Sharma & Co.
Firm Reg. No. 109963W
Chartered Accountants

(C. A. Bandi) Partner
M.No.5385

Place: Mumbai
Date: 26 MAY 2015



For and on the behalf of the Board of Directors


Director


Director

Technocraft Tabla Formwork Systems Pvt. Ltd.


Statement Of Profit And Loss For The Period Ended 31st March 2015

Particulars	Note No	For the Period ended on 31/03/2015 Amount (Rs.)	For the Period ended on 31/03/2014 Amount (Rs.)
Revenue			
Revenue From Operations	13	3,88,28,831.00	1,38,72,264.65
Other Income	14	52,046.62	29,950.00
Total Revenue		3,88,80,877.62	1,39,02,214.65
Expenses			
Purchase For Trading	15	-	66,24,038.80
Changes in Inventories of Stock	16	3,23,52,308.00	(19,72,825.00)
Employee Benefit Expenses	17	28,45,965.00	20,67,365.00
Finance Cost	18	24,12,011.00	33,85,166.00
Depreciation		4,794.19	12,674.11
Amortisation of Distribution Rights		7,03,917.27	7,03,917.15
Other Expenses	19	7,53,506.81	32,16,436.71
Total Expenses		3,90,72,502.28	1,40,36,772.78
Profit/(Loss) Before Taxation		(1,91,624.66)	(1,34,558.13)
Tax Expenses			
Current tax	20	-	-
Deferred tax		(38,584.00)	(5,672.00)
Profit/(Loss) After Taxation		(1,53,040.66)	(1,28,886.13)
Earning Per Share (Basic & Diluted) (Face Value Of Rs.10/-)	21	(0.15)	(0.13)
Significant accounting Policies and Notes forming part of accounts	22		

As per our Report of Even Date


For M. L. Sharma & Co.
Firm Reg. No. 109963W
Chartered Accountants


(C. H. Bandi) Partner
M.No: 5385
Place: Mumbai
Date: 26 MAY 2015



For and on the behalf of the Board of Directors


DIRECTOR


DIRECTOR

Technocraft Tabla Formwork Systems Pvt. Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015 Rs.	Year ended March 31, 2014 Rs.
A. Cash flow from operating activities:		
Net (loss)/profit Before tax	(1,91,624.66)	(1,34,558.12)
Adjustments for:		
Interest expenses	24,11,581.00	33,84,851.00
Amortisation Of Distribution Right	7,03,917.27	7,03,917.15
Depreciation	4,794.19	12,674.11
Operating profit before working capital changes	29,28,667.81	39,66,884.14
Adjustments for changes in working capital :		
- (INCREASE)/DECREASE in Debtors	73,78,243.50	(10,61,103.00)
- (INCREASE)/DECREASE in Inventories	3,23,52,308.00	(19,72,824.81)
- (INCREASE)/DECREASE in Loans and Advances	9,32,787.03	26,26,472.38
- INCREASE/(DECREASE) in Trade and Other Payables	(64,438.03)	(37,00,240.47)
- INCREASE/(DECREASE) in Provision	52,198.00	1,16,198.81
Cash generated from operations	4,35,79,766.31	(24,612.95)
- Taxes (Paid) / Received	(2,97,284.00)	(11,82,271.00)
Net cash Used in operating activities (A)	4,32,82,482.31	(12,06,883.95)
B. Cash flow from Investing activities:		
Purchase OF Fixed Assets	-	-
Purchase of Investment	-	-
Net realisation on Sale of Investments	-	-
Net cash used in investing activities (B)	-	-
C. Cash flow from financing activities:		
Loan Taken.(net)	(3,71,49,404.15)	45,86,763.95
Interest Paid	(24,11,581.00)	(33,84,851.00)
Net cash from financing activities (C)	(3,95,60,985.15)	12,01,912.95
Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	37,21,497.16	(4,971.00)
Cash and cash equivalents at the beginning of the year	17,832.11	22,803.11
Cash and cash equivalents at the end of the year	37,39,329.27	17,832.11
Cash and cash equivalents comprise		
Cash on hand	25,763.11	17,832.11
Balance with Scheduled Banks	37,13,566.16	-
Balance as per Balance Sheet	37,39,329.27	17,832.11

Notes to the Cash Flow Statement

- 1 The above Cash flow statement has been prepared under the Indirect method setout in AS-3 issued by The Institute of Chartered Accountants of India.
- 2 Figures in brackets indicate cash outgo.



As per our Report of Even Date
For M.L.SHARMA & CO.
Firm Reg. No. 109963W
(Signature)
(C.M. BANDI) PARTNER
M.No. 5385

Place : Mumbai
Date : 26 MAY 2015

(Signature)
DIRECTORS

Technocraft Tabla Formwork Systems Pvt. Ltd.

Notes To The Financial Statements For The Year Ended 31st march 2015

Particulars	As At	As At
	31/03/2015	31/03/2014
	Amount (Rs.)	Amount (Rs.)
Note "1" :- Share Capital		
Authorised		
10,00,000 (P.Y. 10,00,000) Equity Shares Of Rs.10/- Each	1,00,00,000.00	1,00,00,000.00
	1,00,00,000.00	1,00,00,000.00
Issued, Subscribed & Paid Up		
10,00,000 (P.Y. 10,00,000) Equity Shares Of Rs.10/- each fully paid up	1,00,00,000.00	1,00,00,000.00
	1,00,00,000.00	1,00,00,000.00

i) The company has only one class of Equity Shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share.

ii) The Reconciliation of the number of share outstanding at the year end is set out below

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000

iii) The details of Shareholder holding More than 5% shares is set out below

Name of the Shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of Shares Held	% of holding	No. of Shares Held	% of holding
Technocraft Industries India Ltd	6,49,995	65%	6,49,995	65%
Gilcheck Management Inc	3,50,005	35%	3,50,005	35%

iv) Other disclosure pursuant to Note no. 6 of Part I of Schedule III to the Companies Act, 2013 is either Nil or not applicable to the Company.



Technocraft Tabla Formwork Systems Pvt. Ltd.

Notes To The Financial Statements For The Year Ended 31st March 2015

Particulars	As At	As At
	31/03/2015	31/03/2014
	Amount (Rs.)	Amount (Rs.)
Note "2" :- Reserves & Surplus		
Statement of Profit & Loss		
As per last balance sheet	(35,59,225.88)	(34,45,828.57)
Add : Excess Provision of Income Tax for Earlier Years	-	15,488.81
Add: Current Year Profit/ (Loss)	(1,53,040.66)	(1,28,886.12)
Less Transfer from Fixed Assets (Net of Deferred Tax)	7,300.00	-
Balance at the End	<u>(37,19,566.54)</u>	<u>(35,59,225.88)</u>
Note "3" :- Short Term Borrowings		
Unsecured		
Loans Repayable on demand	-	3,71,49,404.15
From Joint Venturer	-	3,71,49,404.15
(Term of Repayment - On Demand)	-	3,71,49,404.15
(Rate of Interest - 10% P.A)	-	3,71,49,404.15
	<u>-</u>	<u>3,71,49,404.15</u>
Note "4" :- Trade Payables		
Trade Payables - Goods	-	26,32,302.13
	<u>-</u>	<u>26,32,302.13</u>
Note "5" :- Other Current Liabilities		
Other Liabilities for Expenses	4,00,807.34	3,83,501.54
Advances from Customers	2,256.00	14,000.00
TDS Payable	2,58,743.00	3,60,321.00
Statutory Dues to the Government Department	27,24,306.00	14,931.00
IDBI Bank (Temporary Overdrawn)	-	45,494.70
	<u>33,86,112.34</u>	<u>8,18,248.24</u>
Note "6" :- Short Term Provisions		
Provision For Employee Benefits	50,338.00	88,304.00
Provision for Leave Salary	1,98,600.00	1,08,436.00
Provision for Gratuity	2,48,938.00	1,96,740.00
	<u>2,48,938.00</u>	<u>1,96,740.00</u>



Technocraft Tabla Formwork Systems Pvt. Ltd.

Note 7 of Fixed Assets

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS ON 01/04/2014	ADDITION DURING THE YEAR	SALES/ TRANSFER	AS ON 31/03/2015	UP TO 01/04/2014	FOR THE PERIOD	Transfer to Reserve Account	UP TO 31/03/2015	AS ON 31/03/2015	AS ON 31/03/2014
TANGIBLE ASSETS										
COMPUTER	62,315.00	-	-	62,315.00	48,635.32		10,564.00	59,199.32	3,115.68	13,679.68
FURNITURE & FIXTURE	27,009.00	-	-	27,009.00	10,926.17	4,794.19	-	15,720.36	11,288.64	16,082.83
(A)	89,324.00	-	-	89,324.00	59,561.49	4,794.19	10,564.00	74,919.68	14,404.32	29,762.51
INTANGIBLE ASSETS										
DISTRIBUTION RIGHTS	35,19,585.77	-	-	35,19,585.77	28,15,668.50	7,03,917.27	-	35,19,585.77	-	7,03,917.17
(B)	35,19,585.77	-	-	35,19,585.77	28,15,668.50	7,03,917.27	-	35,19,585.77	-	7,03,917.17
TOTAL (A+B)	36,08,909.77	-	-	36,08,909.77	28,75,229.99	7,08,711.47	10,564.00	35,94,505.46	14,404.32	7,33,679.68
PREVIOUS YEAR(RS.)	36,08,909.77	-	-	36,08,909.77	21,58,638.83	7,16,591.27	-	28,75,299.99	7,33,679.68	14,50,276.94



Technocraft Tabla Formwork Systems Pvt. Ltd.

Notes To The Financial Statements For The Year Ended 31st March 2015

Particulars	As At	As At
	31/03/2015	31/03/2014
	Amount (Rs.)	Amount (Rs.)
Note "8" :- Other Non Current Assets		
Mat Credit Receivable	11,92,822.00	11,92,822.00
	<u>11,92,822.00</u>	<u>11,92,822.00</u>
Note "9" :- Inventories		
(As taken, Valued & Certified by the Management)		
Traded Goods	-	3,23,52,308.00
	<u>-</u>	<u>3,23,52,308.00</u>
Note "10" :- Trade Receivables		
(Un-Secured Considered Good By The Management)		
<u>From Others</u>		
Outstanding for Over Six Months	6,89,091.00	37,68,700.01
Other debts	1,63,318.51	44,61,953.00
	<u>8,52,409.51</u>	<u>82,30,653.01</u>
Note "11" :- Cash & Cash Equivalents		
Cash on Hand	25,763.11	17,832.11
Balance With Scheduled Bank		
In Current Account	37,13,566.16	-
	<u>37,39,329.27</u>	<u>17,832.11</u>
Note "12" :- Other Current Assets		
Advance Tax	26,59,682.00	21,55,398.00
Less: Provision for Taxation	11,92,821.00	11,92,821.00
	<u>14,66,861.00</u>	<u>9,62,577.00</u>
Other Deposits	10,500.00	10,000.00
Advances Recoverable in Cash or in Kind	-	4,65,308.00
Balance With Excise Department	-	7,566.43
Balance With Sales Tax Department	10,93,680.70	17,61,093.42
	<u>25,71,041.70</u>	<u>32,06,544.85</u>



Technocraft Tabla Formwork Systems Pvt. Ltd.

Notes To The Financial Statements For The Year Ended 31st March 2015

Particulars	As At	As At
	31/03/2015	31/03/2014
	Amount (Rs.)	Amount (Rs.)
Note "13" :- Revenue From Operation		
Sale of Products (Net)	3,00,39,474.00	19,022.00
Sale of Services	87,89,357.00	1,38,53,242.65
(Gross-Tds deducted Rs 2,09,687/- Previous Year Rs 6,62,450/-)		
	3,88,28,831.00	1,38,72,264.65
Note "14" :- Other Income		
Interest Received on Income Tax Refund	-	28,389.00
Misc. Income	52,046.62	1,561.00
	52,046.62	29,950.00
Note "15" :- Purchase For Trading		
Purchase Of Scaffolding	-	66,24,038.80
	-	66,24,038.80
Note "16" :-Changes In the Inventories of The Stock		
Closing Stock	-	3,23,52,308.00
Less: Opening Stock	3,23,52,308.00	3,03,79,483.00
	3,23,52,308.00	(19,72,825.00)
Note "17" :- Employee Benefit Expenses		
Salary, Wages, Bonus Etc.	28,17,460.00	20,23,597.00
Contribution To The Fund	360.00	324.00
Staff / Worker Welfare	28,145.00	43,444.00
	28,45,965.00	20,67,365.00
Note "18" :- Finance Cost		
Interest		
Interest On Loan From Joint Venturer	24,11,581.00	33,84,851.00
Other borrowing costs		
Bank Charges	430.00	315.00
	24,12,011.00	33,85,166.00



Technocraft Tabla Formwork Systems Pvt. Ltd.

Notes To The Financial Statements For The Year Ended 31st March 2015

Particulars	As At	As At
	31/03/2015	31/03/2014
	Amount (Rs.)	Amount (Rs.)
Note "19" :- Other Expenses		
Advertisement	8,000.00	-
Engineering & Design Charges	-	26,25,978.00
Legal & Professional Expenses	19,606.00	45,000.00
Labour Charges	31,461.00	-
Sales Promotion	-	7,022.00
Rent,Rates & Taxes	7,528.00	5,415.00
Travelling & Conveyance Expenses	34,007.48	2,04,249.40
Postage,Telegram & Telephone Exp.	32,530.11	26,042.31
Sales Tax Paid	28,555.72	-
Repair & Maintenance	1,250.00	-
Insurance Charges	-	4,434.00
Payment to Auditors		
Audit Fees	39,326.00	35,000.00
Tax Audit Fees	16,854.00	15,000.00
Out of Pocket Expenses	2,730.00	1,870.00
Sundry Balances Written Off	5,31,658.50	2,46,426.00
	7,53,506.81	32,16,436.71

Note "20" :- Tax Expenses

Current Tax	-	-
Less MAT Credit Entitlement	-	-
Deferred Tax	(38,584.00)	(5,672.00)
	(38,584.00)	(5,672.00)

Note "21" :- Earning Per Share

Net Profit attributable to Equity Shareholders	(1,53,040.66)	(1,28,886.12)
Weighted Average Number Of Equity Shares Outstanding during the Year	10,00,000.00	10,00,000.00
Basic & Diluted Earning Per Share (On Nominal Value Of Rs. 10/- Per Share)	(0.15)	(0.13)



NOTE - 22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

I. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

These Financial Statements are prepared on the historical cost basis, in accordance with the Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013 on the accounting principles of a going concern.

2. RECOGNITION OF INCOME AND EXPENDITURE

Income and expenditure are recognised on accrual basis except Claims receivable which is accounted on Cash basis.

3. FIXED ASSETS

Fixed Assets are stated at cost of acquisition or construction inclusive of incidental expenses related there to less accumulated depreciation.

4. DEPRECIATION

Depreciation on Tangible Fixed Assets has been provided on the Written down Value Method based on the Useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on Additions to Tangible Fixed Assets or on Sale / Disposal of Tangible Fixed Assets is Calculated on Pro rata basis from the Quarter in which such additions or up to the Quarter of such sale / Disposal is made as the case may be..

5. INVESTMENTS

Long Term investments are stated at cost .Provision for diminution is made to recognize a decline, other than temporary, in the value of Long Term Investments. Current Investments are carried at lower of cost and quoted/fair value.

6. INVENTORIES

Inventories are valued at cost or net realizable value, whichever is lower.

7. FOREIGN EXCHANGE TRANSACTION

- Transactions denominated in foreign currency are normally accounted for at the exchange rate prevailing at the time of transaction.
- Monetary assets and Liabilities in foreign currency transactions remaining unsettled at the end of the year (other than forward contract transactions) are translated at the year end rates and the corresponding effect is given to the respective account.
- Exchange differences' arising on account of fluctuations in the rate of exchange is recognized in the Statement of Profit & Loss.
- Exchange rate difference arising on account of conversion/translation of liabilities for acquisition of Fixed Assets is recognized in the statement of Profit & Loss.



TECHNOCRAFT TABLAFORMWORK SYSTEMS PRIVATE LIMITED
Notes to the financial statements for the year ended on 31st March, 2015.

8. TAXATION

Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet Date. Deferred tax assets are recognized, only to the extent there is a reasonable certainty of its realisation. At each Balance sheet date, the carrying amounts of deferred tax assets are reviewed to reassess realization.

9. DEFERRED REVENUE EXPENDITURE

Deferred Revenue Expenditure consists of Intangible Assets in form of Distribution Right which is amortized over a period of 5 years.

10. EMPLOYEE BENEFITS

The Leave Encashment & Gratuity Liability is determined by Actuarial Valuation, Using the Project Unit Cost Method as specified in AS 15 (Revised) "EMPLOYEE BENEFITS" and the Liability is fully charged to Statement of Profit & Loss. Actuarial Gain and Loss arising on such Valuation are also recognized immediately in the Statement of Profit & Loss.

11. INTANGIBLE ASSETS

Intangible Assets are recognized by the Company only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the same can be measured reliably.

Intangible Assets are amortized on a systematic basis over its useful life and the amortization for each period will be recognized as an expense.

12. PROVISION

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

13. CONTINGENT LIABILITIES

Contingent Liabilities are not provided for in the accounts. These are disclosed by way of Notes to the Accounts.



TECHNOCRAFT TABLAFORMWORK SYSTEMS PRIVATE LIMITED
Notes to the financial statements for the year ended on 31st March, 2015.

II. NOTES TO ACCOUNTS

1. CONTINGENT LIABILITIES

No	Contingent Liabilities and Commitments not provided for	For the Year Ended 31-3-2015 (Rs)	For the Year Ended 31-3-2014 (Rs)
1	Manufacturing Royalty Payable to Gillespie Practical Technologies Inc in respect of Purchase of Tabla Products from Technocraft Industries India Limited.	16,23,840	16,23,840
2	Income Tax Demand & Penalty for A.Y 2011-12	4,13,130	-

2. Sales are reported net of trade discounts, returns and rebates, and Sales Tax & Service Tax wherever applicable.
3. Purchases are reported net of returns, discounts, rebates and incentives.
4. Distribution Rights has been capitalized as Intangible Assets & the same has been equally amortized over a Period of 5 years beginning from the year in which such Rights had been acquired..
5. Pursuant to the Enactment of Companies Act, 2013 the Company has applied the estimated useful life as specified in Schedule II .The Written down Value of Fixed Assets (net of residual Value) whose life has expired as at 1st April 2014 have been adjusted (net of Deferred Tax) against the Opening Balances in the Statement of Profit & Loss under Reserves & Surplus. For other assets the carrying amount as on 1-4-2014 will be amortized over the remaining useful life of the assets. As a result an amount of Rs 7,300/- (net of Deferred Tax of Rs 3264/-) has been adjusted to the Statement of Profit & Loss. The net Depreciation Charge for the Year is Lower by Rs 3,589/-
6. RETIREMENT BENEFITS
 - In respect of Leave Encashment as per the Revised Accounting Standard (AS)-15 on "Retirement Benefits" ,the Company has Reversed Leave Encashment Expenses of Rs 37,966/- in the Statement of Profit & Loss.

Net asset / (liability) recognized in the Balance Sheet as on 31-3-2015

SR	Funded Status	(Rs.)	(Rs.)
		31.03.2015	31.03.2014
a)	Present Value of Defined Benefit Obligation	50,338	88,304
b)	Fair Value of Plan Assets	-	-
c)	Net Asset/(Liability) Recognized in Balance Sheet	(50,338)	(88,304)

Total Expenses recognized in the statement of Profit & Loss for year ended 31st March 2015

SR	Components Of Employer Expenses	(Rs.)	(Rs.)
		31.03.2015	31.03.2014
a)	Current Service Cost	20,970	20,540
b)	Interest Cost	8,036	5,854



TECHNOCRAFT TABLAFORMWORK SYSTEMS PRIVATE LIMITED
Notes to the financial statements for the year ended on 31st March, 2015.

c)	Expected return on plan asset	-	-
d)	Actuarial Losses/(Gains)	(66,972)	(2,989)
e)	Total Expenses (Income) recognized in Statement of Statement of Profit & Loss	(37,966)	23,405

Reconciliation of Defined Benefit Obligation and fair Value of Assets for the year ended on 31st March 2015

A	Change in Defined Benefit Obligation	(Rs.)	(Rs.)
		31.03.2015	31.03.2014
a)	Present Value of DBO at beginning of the year	88,304	80541
b)	Current Service Cost	20,970	20,540
c)	Interest Cost	8,036	5,854
d)	Actual (Gains)/losses	(66,972)	(2,989)
e)	Benefits Paid	-	(15,642)
f)	Present Value of DBO at the end of year	50,338	88,304
B	Change in Fair Value of Assets		
a)	Plan assets At the Beginning of year	-	-
b)	Adjustment to Opening Fair Value of Plan Assets	-	-
c)	Expected Return on plan assets	-	-
d)	Actual Company contributions	-	15,642
e)	Actual Gains/(losses) on plan assets	-	-
f)	Benefits paid	-	(15,642)
g)	Plan assets at the end of year	-	-

Principal Actuarial Assumptions at the Balance Sheet date

	31.03.2015	31.03.2014
Discount Rate	7.85%	8.05%
Rate Of return on plan Assets	-	-
Rate Of increase salaries	5.00%	5.00%
Expected Average remaining working lives of employees (years)	21	22



TECHNOCRAFT TABLAFORMWORK SYSTEMS PRIVATE LIMITED
Notes to the financial statements for the year ended on 31st March, 2015.

- In respect of Gratuity as per the Revised Accounting standard (AS)-15 on "Retirement Benefits", the company has charged Gratuity Expenses of Rs 90,164/- in the Statement of Profit & Loss.

Net asset / (liability) recognized in the Balance Sheet as on

SR	Funded Status	(Rs.)	(Rs.)
		31.03.2015	31.03.2014
a)	Present Value of Defined Benefit Obligation	1,98,600	1,08,436
b)	Fair Value of Plan Assets	-	-
c)	Net Asset/(Liability) Recognized in Balance Sheet	(1,98,600)	(1,08,436)

Total Expenses recognized in the statement of Profit & Loss for year ended on

SR	Components Of Employer Expenses	(Rs.)	(Rs.)
		31.03.2015	31.03.2014
a)	Current Service Cost	53,704	34,621
b)	Interest Cost	9,868	-
c)	Expected return on plan asset	-	-
d)	Actuarial Losses/(Gains)	26,592	73,815
e)	Total Expenses (Income) recognized in Statement of Profit & Loss	90,164	1,08,436

Reconciliation of Defined Benefit Obligation and fair Value of Assets for the year ending on

A	Change in Defined Benefit Obligation	(Rs.)	(Rs.)
		31.03.2015	31.03.2014
a)	Present Value of DBO at beginning of the year	1,08,436	-
b)	Current Service Cost	53,704	34,621
c)	Interest Cost	9,868	-
d)	Actual (Gains)/losses	26,592	73,815
e)	Benefits Paid	-	-
f)	Present Value of DBO at the end of year	1,98,600	1,08,436
B	Change in Fair Value of Assets		
a)	Plan assets At the Beginning of year	-	-
b)	Adjustment to Opening Fair Value of Plan Assets	-	-
c)	Expected Return on plan assets	-	-
d)	Actual Company contributions		
e)	Actual Gains/(losses) on plan assets	-	-
f)	Benefits paid		
g)	Plan assets at the end of year	-	-



TECHNOCRAFT TABLAFORMWORK SYSTEMS PRIVATE LIMITED
Notes to the financial statements for the year ended on 31st March, 2015.

Principal Actuarial Assumptions at the Balance Sheet date

	31.03.2015	31.03.2014
Discount Rate	7.85%	9.10%
Rate of return on plan Assets	-	-
Rate of increase salaries	5%	5%
Expected Average remaining working lives of employees (years)	21	22



TECHNOCRAFT TABLAFORMWORK SYSTEMS PRIVATE LIMITED
Notes to the financial statements for the year ended on 31st March, 2015.

7. DEFERRED TAX

In compliance with the Accounting Standard-22 "Accounting for Taxes on Income" which has become mandatory, the company has created Deferred Tax Asset (Net) amounting to Rs 41,848/- out of which Rs 38,584/- has been credited to statement of profit and loss & Rs 3,264/- has been credited to the Statement of Profit & Loss under Reserves & Surplus.

I. DEFERRED TAX ASSETS AND LIABILITIES ARE THE TAX EFFECT OF THE FOLLOWING ITEMS		
PARTICULARS	For the Year ended 31st March 15 (Rs)	For the Year ended 31st March 14 (Rs)
DEFERRED TAX LIABILITY / ASSETS		
<u>Deferred Tax Liability</u>		
On Account of Difference in Depreciation	-	-
<u>Deferred Tax Assets</u>		
On Account of Unabsorbed Business Loss	** (30,881)	** (36,374)
On Account of Difference in Depreciation	1,31,618	1,04,199
On Account of Preliminary Expenditure	** (62,153)	** (62,153)
On Account of Depreciation on Fixed Assets whose Life has expired as on 1-4-2014 as per Schedule II to Companies Act 2013.	3,264	-
Net Impact	41,848	5,672
* Reversal of DTL created in Earlier Years **Reversal of DTA created in Earlier Years		
II. POSITION OF DEFERRED TAX ASSETS AS ON BALANCE SHEET DATE ARE AS UNDER		
<u>Deferred Tax Assets</u>		
On Account of difference in Depreciation	2,59,599	1,24,717
On Account of Unabsorbed Business Losses	12,85,878	13,16,759
On Account of Preliminary Expenditure	NIL	62,153
Deferred Tax Asset	15,45,477	15,03,629



TECHNOCRAFT TABLAFORMWORK SYSTEMS PRIVATE LIMITED
Notes to the financial statements for the year ended on 31st March, 2015.

8. DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS

In compliance with the AS-18 "Related Party Disclosure", which has become mandatory, the Required information is as under:-

(I) LIST OF RELATED PARTIES

SR.NO	NAME OF THE RELATED PARTY
I	KMP & RELATIVES OF KMP
1	Sharad Kumar Saraf
2	Madhoprasad Saraf (Till 11-12-2014)
3	Navneet Kumar Saraf
4	Ashish Kumar Saraf
5	Shakuntala Saraf
6	Ritu Saraf
7	Shantidevi Saraf
8	Sudarshan Kumar Saraf
II	Co-Venturer
1	Technocraft Industries(India) Ltd
2	Gilcheck Management Inc.

III	Enterprises Significantly Influenced By KMP or Relatives of KMP
1	BMS Industries Limited
2	Ashrit Holdings Limited
3	M.D.Saraf Securities Pvt. Ltd.
IV	FELLOW SUBSIDIARIES
1	Technosoft Engineering Projects Ltd (Formerly Known as Technosoft Information Technologies (I) Ltd.
2	Technosoft Engineering Inc. (Formerly Known as Impact Engineering Solution Inc.)
3	Technocraft Trading Sp. Zoo
4	Technocraft Australia PTY Ltd.
5	Technocraft International Limited
6	Anhui Reliable Steel
7	Shreyan Infra & Power LLP

(II) NAMES OF THE RELATED PARTIES WITH WHOM TRANSACTIONS WERE CARRIED OUT DURING THE YEAR AND DESCRIPTION OF RELATIONSHIP

SR.NO	RELATED PARTIES
I	Co-Venturer
	Technocraft Industries(India) Ltd



TECHNOCRAFT TABLAFORMWORK SYSTEMS PRIVATE LIMITED
Notes to the financial statements for the year ended on 31st March, 2015.

III. DISCLOSURE OF RELATED PARTY TRANSACTIONS

Sr. No	Nature of Relationship / Transactions	Co- Venturer	Enterprises Significantly Influenced By KMP or Relatives of KMP	Fellow Subsidiaries	Total (Rs)
1	Purchase of Goods & Services	31,461 (92,50,017)	NIL (NIL)	NIL (NIL)	31,461 (92,50,017)
2	Sale of Goods & Services	2,23,97,831 (41,376)	NIL (NIL)	NIL (NIL)	2,23,97,831 (41,376)
3	Loan Taken	34,10,908 (2,31,61,146)	NIL (NIL)	NIL (NIL)	34,10,908 (2,31,61,146)
4	Loan Repaid	4,05,60,312 (1,85,74,382)	NIL (NIL)	NIL (NIL)	4,05,60,312 (1,85,74,382)
5	Interest Paid	24,11,581 (33,84,851)	NIL (NIL)	NIL (NIL)	24,11,581 (33,84,851)

IV. AMOUNT DUE TO/FROM RELATED PARTIES AS ON MARCH 31, 2015

Sr. No	Nature of Relationship / Transactions	Co- Venturer	Enterprises Significantly Influenced By KMP or Relatives of KMP	Fellow Subsidiaries	Total (Rs)
1	Trade Payables	NIL (26,32,302)	NIL (NIL)	NIL (NIL)	NIL (26,32,302)
2	Unsecured Loan	NIL (3,71,49,404)	NIL (NIL)	NIL (NIL)	NIL (3,71,49,404)

() Indicates Previous Year Figures.

9. Additional Information required to be furnished Pursuant to Para 5 of part II of Schedule III of the Companies Act, 2013

A Details of Goods Traded (As Certified by the Management)

Brief Description of Goods Traded	Particulars	Pcs	Amount (Rs.)
TABLA Products	Opening Stock	53879 (27,889)	3,23,52,308 (3,03,79,483)
	Purchases	NIL (26,207)	NIL (66,24,039)
	Sales	53,879 (217)	3,00,39,474 (19,022)
	Closing Stock	NIL (53,879)	NIL (3,23,52,308)

() Indicates Previous Year Figures.



TECHNOCRAFT TABLAFORMWORK SYSTEMS PRIVATE LIMITED
Notes to the financial statements for the year ended on 31st March, 2015.

B Expenditure & Income in Foreign Currency

	<u>2014 - 2015</u>	<u>2013 - 2014</u>
	Rs.	Rs.
a) Expenditure in Foreign currency	NIL	NIL

10. Cash Flow Statement is annexed herewith.

11. The previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with the figures of current financial year.

12. Additional information pursuant to Part II of Schedule III of the Companies Act, 2013 are either NIL or N.A.

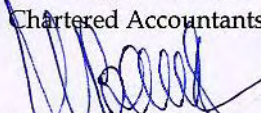
Signature to Notes 1 To 22 Attached

As per our report of even date

For M. L. SHARMA & CO

Firm Reg. No.109963W

Chartered Accountants


C. H. BANDI

Partner

M.No. 5385


Place: Mumbai

Date: 26 MAY 2015



For and on behalf of the Board of Directors


Director


Director

Shreyan Infra Power LLP



M. L. SHARMA & CO. (Regd.)
CHARTERED ACCOUNTANTS

107, Chartered House, 297-299, Dr. C.H. Street, Behind Dolours Church, Marine Lines, Mumbai-400 002
☎: (022) 2201 0808, 2201 1010 • Fax: (022) 2201 1414 • Resi.: (022) 2613 4916 • E-mail: mlsharma@mlsharma.in

AUDITORS' REPORT

TO THE PARTNERS OF

SHREYAN INFRA & POWER LLP, MUMBAI

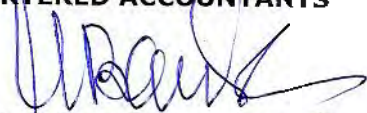
We have compiled the attached Balance Sheet as at 31st March, 2015 of SHREYAN INFRA & POWER LLP, MUMBAI incorporated pursuant to section 12 (1) of the Limited Liability Partnership Act, 2008 and also the annexed Statement of Profit & Loss for the year ended on that date and report that:-

- 1) In our opinion, proper books of account have been maintained by the firm ;
- 2) The annexed Balance Sheet and Statement of Profit & Loss are in agreement with the Books of Account of the FIRM as at 31st March, 2015.

PLACE: MUMBAI
DATED: 26 MAY 2015



FOR M. L. SHARMA & CO.
FIRM REG. NO. 109963W
CHARTERED ACCOUNTANTS


(C.H. BANDI) PARTNER
M. NO. 5385

SHREYAN INFRA & POWER LLP

Balancesheet as at 31st March 2015

Particulars	Note No	As at 31/03/2015 Amount (Rs.)	As at 31/03/2014 Amount (Rs.)
I Equity And Liabilities			
1 Partners Capital Account	1	1,00,000.00	1,00,000.00
Partners Current Account	2	(18,660.47)	(11,256.00)
Reserves & Surplus		(3,55,383.00)	(3,55,383.00)
		<u>(2,74,043.47)</u>	<u>(2,66,639.00)</u>
2 Non Current Liabilities			
A.Other Non Current Liabilities	3	5,88,60,501.73	3,34,46,660.73
3 Current Liabilities			
A. Short Term Borrowings	4	9,80,00,000.00	13,52,88,321.00
B. Other Current Liabilities	5	10,43,669.00	4,69,853.00
		<u>9,90,43,669.00</u>	<u>13,57,58,174.00</u>
		<u>15,76,30,127.26</u>	<u>16,89,38,195.73</u>
II Assets			
1 Non Current Assets			
A.Fixed Assets			
Tangible Assets		-	-
Intangible Assets		-	-
		<u>-</u>	<u>-</u>
B.Deferred Tax Asset		1,21,960.00	1,20,080.00
2 Current Assets			
A. Stock -in -Trade (Land)		15,58,96,245.15	14,55,15,732.15
B. Cash And Cash Equivalent	6	12,32,225.11	23,605.58
C. Other Current Assets	7	3,79,697.00	2,32,78,778.00
		<u>15,75,08,167.26</u>	<u>16,88,18,115.73</u>
		<u>15,76,30,127.26</u>	<u>16,89,38,195.73</u>

Significant accounting Policies and Notes forming part of accounts

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For M. L. Sharma & Co.
Firm Reg. No. 109963W
Chartered Accountants

(C. H. Bandi) Partner
M.No:5385

Place: Mumbai
Date: 26 MAY 2015



For Shreyan Infra & Power LLP

[Signature]
Partner

[Signature]
Partner

SHREYAN INFRA & POWER LLP

Statement of Profit And Loss For The Period Ended 31 March 2015

Particulars	Note No	For the	For the
		Period ended on 31/03/2015 Amount (Rs.)	Period ended on 31/03/2014 Amount (Rs.)
Revenue			
Revenue From Operations		-	-
Other Income		-	-
Total Revenue		-	-
Expenses			
Bank Charges		3,019.47	
Other Expenses	8	6,265.00	16,290
Total Expenses		9,284.47	16,290
Profit/(Loss) Before Taxation		(9,284.47)	(16,290)
Tax Expenses			
Current tax		-	-
Deferred Tax		(1,880.00)	(5,034)
Profit/(Loss) After Taxation		(7,404.47)	(11,256)

Significant accounting Policies and Notes forming part of accounts

9

For M. L. Sharma & Co.
Firm Reg. No. 109963W
Chartered Accountants

(C. H. Bandi) Partner
M.No: 5385

Place: Mumbai
Date: 26 MAY 2015



For Shreyan Infra & Power LLP

Partner

Partner

SHREYAN INFRA & POWER LLP

Notes To The Financial Statements For The Period Ended 31st March 2015

Note-1

Partners Capital Account

Particulars	Current Year	Previous Year
<u>Technocraft Industries India Limited</u>		
Opening Balance	90,000.00	-
Add: Additions During the Year	-	90,000.00
Less Withdrawls During the Year	-	-
Closing Balance	90,000.00	90,000.00
<u>Sharad Kumar Saraf</u>		
Opening Balance	10,000.00	-
Add: Additions During the Year	-	10,000.00
Less: Withdrawls During the Year	-	-
Closing Balance	10,000.00	10,000.00
Total Partners Capital Account	1,00,000.00	1,00,000.00



SHREYAN INFRA & POWER LLP

Notes To The Financial Statements For The Period Ended 31st March 2015

Note-2

Partners Current Account

Particulars	Current Year	Previous Year
<u>Technocraft Industries India Limited</u>		
Opening Balance	(10,130.00)	-
Add: Additions During the Year	-	-
Add : Share of Profit / (Loss) for the Period	(6,664.47)	(10,130.00)
Closing Balance	(16,794.47)	(10,130.00)
<u>Sharad Kumar Saraf</u>		
Opening Balance	(1,126.00)	-
Add: Additions During the Year	-	-
Add : Share of Profit / (Loss) for the Period	(740.00)	(1,126.00)
Closing Balance	(1,866.00)	(1,126.00)
Total Partners Current Account	(18,660.47)	(11,256.00)



SHREYAN INFRA & POWER LLP**Notes To The Financial Statements For The Period Ended 31st March 2015**

Particulars	As At	As At
	31/03/2015	31/03/2014
	Amount (Rs.)	Amount (Rs.)
Note "3" Other Non Current Liabilities		
Deposits Received from Co Venturer	1,50,00,000.00	1,50,00,000.00
Shreyan Venture Pune (TDS)	70,478.00	46,739.00
Shreyan Venture (Pune)	4,37,90,023.73	1,83,99,921.73
	<u>5,88,60,501.73</u>	<u>3,34,46,660.73</u>
Note "4" Short Term Borrowings		
(From Partner)		
Technocraft Industries India Limited (Rate of Interest 10% p.a)	-	13,52,88,321.00
(From Other Related Party)		
Ashrit Holdings Limited (Rate of Interest 10% p.a)	9,80,00,000.00	-
	<u>9,80,00,000.00</u>	<u>13,52,88,321.00</u>
Note "5" :- Other Current Liabilities		
Liabilities for Expenses	10,43,669.00	4,69,853.00
	<u>10,43,669.00</u>	<u>4,69,853.00</u>
Note "6" :- Cash & Cash Equivalents		
Balances with Scheduled Bank		
In Current Account	12,32,225.11	23,605.58
	<u>12,32,225.11</u>	<u>23,605.58</u>
Note "7" Other Current Assets		
Advances to Mittal Properties	3,09,219.00	2,32,32,039.00
Advance Income Tax	70,478.00	46,739.00
	<u>3,79,697.00</u>	<u>2,32,78,778.00</u>
Note "8" :- Other Expenses		
Licence & Membership fees	147.00	2,637.00
Printing & Stationary	-	788.00
Rent ,Rates & Taxes	-	5,000.00
Professional fees	500.00	-
Payment to Auditors		
For Audit Fees	5,618.00	5,618.00
For Certification	-	2,247.00
	<u>6,265.00</u>	<u>16,290.00</u>



NOTE NO -9

Notes to the Accounts Annexed to and forming part of the Balance Sheet as at 31st March 2015 and the Statement of Profit and Loss for the period ended on that date

I. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

These accounts are prepared on the historical cost basis, in accordance with the Generally Accepted Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and on the accounting principles of a going concern.

2. RECOGNITION OF INCOME AND EXPENDITURE

➤ Income and expenditure are recognized on accrual basis.

➤ Revenue from Construction related activity is recognized as follows:

The Revenue from such activities shall be recognized in accordance with the Guidance Note on Real Estate Transactions issued by The Institute of Chartered Accountants of India. As the Stage of Completion of the Project has not reached a reasonable level of Development as prescribed in the said Guidance Note, no revenue has been recognized in the Statement of Profit & Loss.

3. INVENTORIES

➤ Inventory Comprising of Land is valued at Cost or Net Realizable Value Whichever is lower. Cost of Land Comprises of Cost of Land, Stamp Duty, Registration Charges & all other Direct Costs incurred in connection with acquisition of Land.

4. Fixed Assets:

The Firm does not own any Fixed Assets during the year.

5. Investments:

The Firm does not own any Investments during the year.

6. FOREIGN EXCHANGE TRANSACTION

➤ Transactions denominated in foreign currency are normally accounted for at the exchange rate prevailing at the time of transaction.

➤ Monetary assets and Liabilities in foreign currency transactions remaining unsettled at the end of the year (other than forward contract transactions) are translated at the year end rates and the corresponding effect is given to the respective account.

➤ Exchange differences' arising on account of fluctuations in the rate of exchange is recognized in the statement of Profit & Loss account.

➤ Exchange rate difference arising on account of conversion/translation of liabilities for acquisition of Fixed Assets is recognized in the statement of Profit & Loss account.



7. TAXATION

Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet Date. Deferred tax assets are recognized, only to the extent there is a reasonable certainty of its realisation. At each Balance sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realization.

8. RETIREMENT BENEFITS

Year End Retirement benefits are not applicable to the Firm.

9. BORROWING COST

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of the assets up to the date the assets are put to use. Other borrowing costs are charged to the Statement of Profit & Loss in the year in which they are incurred.

10. INTANGIBLE ASSETS

Intangible Assets are recognized by the Firm only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the same can be measured reliably.

Intangible Assets are amortized on a systematic basis over its useful life and the amortization for each period will be recognized as an expense.

11. PROVISION

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

12. CONTINGENT LIABILITIES

Contingent Liabilities are not provided for in the accounts. These are disclosed by way of Notes to the Accounts.



II. NOTES TO ACCOUNTS

1. The Limited Liability Partnership is engaged in Real Estate Activities .The Revenue from such activities shall be recognized in accordance with the Guidance Note on Real Estate Transactions issued by The Institute of Chartered Accountants of India. As the Stage of Completion of the Project has not reached a reasonable level of Development as prescribed in the said Guidance Note, no revenue has been recognized in the Statement of Profit & Loss.
2. Provision for taxation has not been made in view of Losses.
3. **DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS**
In compliance with the AS-18 "Related Party Disclosure", which has become mandatory, the required information is as under:-

(I) LIST OF RELATED PARTIES

SR.NO	RELATED PARTY
I	KEY MANAGERIAL PERSONNEL
1	S.K.Saraf - Being Designated Partner
2	S.M.Saraf (Representing Technocraft Industries (I) Ltd Being Designated Partner)
II	Enterprises Significantly influenced by Key Managerial Personnel or their relatives
1	Ashrit Holdings Limited
III	Joint Venture
1	Shreyan Venture
IV	Designated Partner
1	Technocraft Industries (I) Ltd
V	Co-Venturer
1	Mohit Developers

(II) Names of the Related Parties with Whom Transactions Were Carried Out During the Year and Description of Relationship

SR.NO	RELATED PARTY
I	Designated Partner
1	Technocraft Industries (I) Limited
II	Joint Venture
1	Shreyan Venture
III	Enterprises Significantly Influenced by Key Managerial Personnel or their relatives
1	Ashrit Holdings Limited



(III). Disclosure of Related Party Transactions (in Rs.)

Sr. No.	Nature of Relationship / Transactions	Designated Partner & Partners	Joint Venture & Co Venturer	Enterprises Significantly Influenced by KMP	Total
1	Interest Paid	1,03,80,513 (12,40,970)	NIL (NIL)	NIL (NIL)	1,03,80,513 (12,40,970)
2	Loan Received	13,99,285 (41,84,617)	NIL (NIL)	9,80,00,000 (NIL)	9,93,99,285 (41,84,617)
3	Loan Repaid	13,66,87,606 (13,15,000)	NIL (NIL)	NIL (NIL)	13,66,87,606 (13,15,000)
4	Advances Received	NIL (NIL)	2,54,13,840 (13,12,391)	NIL (NIL)	2,54,13,840 (13,12,391)
5	Capital Contribution	NIL (1,00,000)	NIL (NIL)	NIL (NIL)	NIL (1,00,000)

(IV). Amount due To / From Related Parties as on 31st March 2015 (in Rs.)

Sr. No.	Nature of Relationship / Transactions	Designated Partner & Partners	Joint Venture & Co Venturer	Enterprises Significantly Influenced by KMP	Total
1	Loan Outstanding	NIL (13,52,88,321)	NIL (NIL)	9,80,00,000 (NIL)	9,80,00,000 (13,52,88,321)
2	Advances Payable	NIL (NIL)	4,38,60,501 (1,84,46,661)	NIL (NIL)	4,38,60,501 (1,84,46,661)
3	Deposits Payable	NIL (NIL)	1,50,00,000 (1,50,00,000)	NIL (NIL)	1,50,00,000 (1,50,00,000)
4	Partners Capital Accounts	1,00,000 (1,00,000)	NIL (NIL)	NIL (NIL)	1,00,000 (1,00,000)
5	Partners Current Accounts (Dr)	18,660 (11,256)	NIL (NIL)	NIL (NIL)	18,660 (11,256)

() indicates Previous Year Figures

- 4 The Firm is having a Joint Venture with Mohit Developers, operating as 'Shreyan Venture' as a Joint control operation in respect of construction of Buildings. The Revenue Sharing Proportion of the Firm from the said Joint control operation is 43.5%

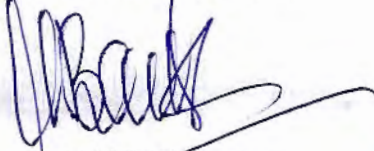


- 5 In compliance with the Accounting Standard-22 "Accounting for Taxes on Income" which has become mandatory, the Limited Liability Partnership has created Deferred Tax Assets (net) amounting to Rs 1,880/- & the same has been credited to the Statement of Profit & Loss.

PARTICULARS	For the Period Ended 31 st March 2015 (In Rs.)	For the Period Ended 31 st March 2014 (In Rs.)
On Account of Preliminary Expenses	28,514	2,500
On Account of Business Loss	(30,394)	(7,534)
NET IMPACT	(1,880)	(5,034)
Deferred Tax Assets		
On Account of Preliminary Expenses	57,029	85,543
On Account of Business Loss	64,931	34,537
Deferred Tax Assets	1,21,960	1,20,080

Signature to Note 1 To 9 Attached

For M. L. SHARMA & CO
Firm Reg. No.109963W
Chartered Accountants



(C. H. BANDI) Partner
M. No. 5385

Place: Mumbai
Date: 26 MAY 2015



For Shreyan Infra & Power LLP



Partner



Partner

**SIGNED
COPY**

COMPANY REGISTRATION NUMBER 02806367

TECHNOCRAFT INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
31 MARCH 2015

TECHNOCRAFT INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

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The following pages do not form part of the financial statements	
Detailed profit and loss account	18
Notes to the detailed profit and loss account	19 to 20

TECHNOCRAFT INTERNATIONAL LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	N Saraf A K Saraf S K Saraf
Company secretary	Mrs L Russell
Registered office	Unit 2 Hammond Court Hammond Avenue Whitehill Industrial Estate Stockport SK4 1PQ
Auditor	West Wake Price LLP Chartered Accountants & Statutory Auditor 60 Moorgate London EC2R 6EL
Bankers	Bank of India 79 Newton Street Manchester M1 1EX

TECHNOCRAFT INTERNATIONAL LIMITED

DIRECTORS' REPORT

PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

The directors present their report and the financial statements of the company for the period from 1 January 2014 to 31 March 2015.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company was that of importers and distributors of products and services supplied by the parent and other group undertakings from India and there was no significant change therein during the period.

The company's performance during the year was satisfactory. Even though the accounts are not strictly comparable with the previous year as we have changed the accounting year to a 15 month period ending 31 March 2015, on an annualised basis the sales are higher than the sales made in the calendar year 2013 and the company has been able to maintain its profitability. The company expects to maintain or slightly improve its sales and profitability in the year ending 31 March 2016.

DIRECTORS

The directors who served the company during the period were as follows:

N Saraf

S K Saraf

A K Saraf

C I Howard

(Appointed 12 June 2014)

(Died 5 November 2014)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TECHNOCRAFT INTERNATIONAL LIMITED

DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

AUDITOR

West Wake Price LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

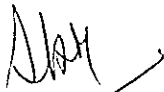
Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed on behalf of the directors



S K Saraf

Director

Approved by the directors on 31 July 2015

TECHNOCRAFT INTERNATIONAL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
TECHNOCRAFT INTERNATIONAL LIMITED

PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

We have audited the financial statements of Technocraft International Limited for the period from 1 January 2014 to 31 March 2015 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholder, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

TECHNOCRAFT INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF TECHNOCRAFT INTERNATIONAL LIMITED *(continued)*

PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

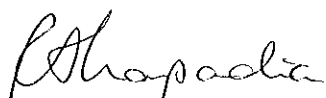
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemptions from the requirement to prepare a strategic report.



RAMESH A KAPADIA (Senior Statutory Auditor)
For and on behalf of
WEST WAKE PRICE LLP
Chartered Accountants & Statutory Auditor

60 Moorgate
London
EC2R 6EL

31 July 2015

TECHNOCRAFT INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

	Note	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
TURNOVER	2	6,320,838	3,933,753
Cost of sales		<u>6,026,037</u>	<u>3,645,388</u>
GROSS PROFIT		294,801	288,365
Administrative expenses		192,039	128,543
Other operating income	3	<u>(95,775)</u>	<u>-</u>
OPERATING PROFIT	4	198,537	159,822
Interest receivable	6	2,705	444
Interest payable and similar charges		<u>(40,108)</u>	<u>(41,848)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		161,134	118,418
Tax on profit on ordinary activities	7	41,589	28,440
PROFIT FOR THE FINANCIAL PERIOD		<u>£119,545</u>	<u>£89,978</u>
Balance brought forward		83,893	(6,085)
Balance carried forward		<u>£203,438</u>	<u>£83,893</u>

The notes on pages 8 to 16 form part of these financial statements.

TECHNOCRAFT INTERNATIONAL LIMITED

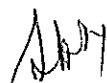
BALANCE SHEET

31 MARCH 2015

	Note	31 Mar 15		31 Dec 13
		£	£	£
FIXED ASSETS				
Tangible assets	8		308,901	315,448
Investments	9		36,000	-
			<u>344,901</u>	<u>315,448</u>
CURRENT ASSETS				
Stocks	10	548,401		576,898
Debtors	11	2,132,261		1,770,883
Cash at bank and in hand		115,376		35,442
		<u>2,796,038</u>		<u>2,383,223</u>
CREDITORS: Amounts falling due within one year	13	<u>1,484,819</u>		<u>1,996,048</u>
NET CURRENT ASSETS			<u>1,311,219</u>	<u>387,175</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,656,120</u>	<u>702,623</u>
CREDITORS: Amounts falling due after more than one year	14		<u>102,680</u>	<u>118,728</u>
			<u>£1,553,440</u>	<u>£583,895</u>
CAPITAL AND RESERVES				
Called up equity share capital	18		1,350,002	500,002
Profit and loss account			203,438	83,893
SHAREHOLDER'S FUNDS			<u>£1,553,440</u>	<u>£583,895</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These accounts were approved by the directors and authorised for issue on 31 July 2015, and are signed on their behalf by:



S K Saraf

Company Registration Number: 02806367

The notes on pages 8 to 16 form part of these financial statements.

TECHNOCRAFT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

1. ACCOUNTING POLICIES

1 Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

2 Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

3 Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

4 Fixed assets

All fixed assets are initially recorded at cost.

5 Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Freehold Property	-	Straight line over fifty years
Plant & Machinery	-	15% Straight line
Fixtures & Fittings	-	25% Straight line

6 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

7 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

TECHNOCRAFT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

1. ACCOUNTING POLICIES *(continued)*

8 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

9 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

10 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

TECHNOCRAFT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
United Kingdom	4,880,911	3,213,893
Sales - Europe	500,834	238,050
Sales - Rest of the World	939,093	481,810
	<u>£6,320,838</u>	<u>£3,933,753</u>

3. OTHER OPERATING INCOME

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Other operating income	<u>95,775</u>	<u>-</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Depreciation of owned fixed assets	6,547	6,191
Loss on disposal of fixed assets	-	146
Auditor's fees	10,000	8,000
Net (profit)/loss on foreign currency translation	<u>(59,635)</u>	<u>5,193</u>

TECHNOCRAFT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Aggregate remuneration	<u>1,000</u>	<u>1,000</u>

6. INTEREST RECEIVABLE

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Bank interest receivable	<u>2,705</u>	<u>444</u>

7. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the period

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Current tax:		
UK Corporation tax based on the results for the period at 20% (2013 - 23.25%)	<u>4,672</u>	-
Total current tax	<u>£4,672</u>	-
Deferred tax:		
Origination and reversal of timing differences (note 12)		
Capital allowances	254	(79)
Losses	<u>36,663</u>	<u>28,519</u>
Total deferred tax (note 12)	<u>36,917</u>	<u>28,440</u>
Tax on profit on ordinary activities	<u>41,589</u>	<u>28,440</u>

TECHNOCRAFT INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

8. TANGIBLE ASSETS

	Freehold Property cost b/fwd £	Plant & Machinery cost b/fwd £	Fixtures & Fittings cost b/fwd £	Total £
COST				
At 1 January 2014 and 31 March 2015	<u>367,643</u>	<u>14,110</u>	<u>24,779</u>	<u>406,532</u>
DEPRECIATION				
At 1 January 2014	52,195	14,110	24,779	91,084
Charge for the period	<u>6,547</u>	<u>—</u>	<u>—</u>	<u>6,547</u>
At 31 March 2015	<u>58,742</u>	<u>14,110</u>	<u>24,779</u>	<u>97,631</u>
NET BOOK VALUE				
At 31 March 2015	<u>308,901</u>	<u>—</u>	<u>—</u>	<u>308,901</u>
At 31 December 2013	<u>315,448</u>	<u>—</u>	<u>—</u>	<u>315,448</u>

9. INVESTMENTS

	Total £
COST	
Additions	<u>36,000</u>
At 31 March 2015	<u>36,000</u>
NET BOOK VALUE	
At 31 March 2015	<u>36,000</u>
At 31 December 2013	<u>—</u>

The company owns 100% of the issued share capital of Highmark International Trading-F.Z.E, a company incorporated in the United Arab Emirates.

	2015 £	2014 £
Aggregate capital and reserves		
Highmark International Trading-F.Z.E	171,767	—
Profit and (loss) for the year		
Highmark International Trading-F.Z.E	135,767	—

Under the provision of section 398 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

TECHNOCRAFT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

10. STOCKS

	31 Mar 15 £	31 Dec 13 £
Finished goods	<u>548,401</u>	<u>576,898</u>

11. DEBTORS

	31 Mar 15 £	31 Dec 13 £
Trade debtors	1,088,127	977,333
Amounts owed by group undertakings	946,678	750,520
Other debtors	1,400	1,359
Prepayments and accrued income	95,515	4,213
Deferred taxation (note 12)	541	37,458
	<u>£2,132,261</u>	<u>£1,770,883</u>

12. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Included in debtors (note 11)	<u>541</u>	<u>37,458</u>

The movement in the deferred taxation account during the period was:

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Balance brought forward	37,458	65,898
Profit and loss account movement arising during the period	<u>(36,917)</u>	<u>(28,440)</u>
Balance carried forward	<u>£541</u>	<u>£37,458</u>

TECHNOCRAFT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

12. DEFERRED TAXATION *(continued)*

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	31 Mar 15	31 Dec 13
	£	£
Excess of depreciation over taxation allowances	541	795
Tax losses available	-	36,663
	<u>£541</u>	<u>£37,458</u>

13. CREDITORS: Amounts falling due within one year

	31 Mar 15	31 Dec 13
	£	£
Bank loans and overdrafts	1,167,037	1,121,260
Trade creditors	134,818	701,248
Amounts owed to group undertakings	54,186	19,201
Other creditors including taxation and social security:		
Corporation tax	4,672	-
PAYE and social security	18,974	14,621
VAT	47,686	76,335
Directors current accounts	636	595
Other creditors	4,508	640
Accruals and deferred income	52,302	62,148
	<u>£128,778</u>	<u>£154,339</u>
	<u>£1,484,819</u>	<u>£1,996,048</u>

Bank overdraft amounting to £1,157,708 (2013:£1,111,809) is secured by a mortgage and general charge (Debenture) on the company's fixed and floating assets and a corporate Guarantee from the parent undertaking of £2,500,000 (2013: £2,500,000).

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	31 Mar 15	31 Dec 13
	£	£
Bank loans and overdrafts	<u>9,329</u>	<u>9,451</u>

TECHNOCRAFT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

14. CREDITORS: Amounts falling due after more than one year

	31 Mar 15 £	31 Dec 13 £
Bank loans and overdrafts	<u>102,680</u>	<u>118,728</u>

The bank loan amounting to £112,009 (2013:£128,179) is secured by a first legal charge over the company's freehold property.

The bank loan is repayable in monthly instalments to 30 June 2024. The interest rate on the bank loan at the balance sheet date was 2.40% (2013: 2.40%).

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	31 Mar 15 £	31 Dec 13 £
Bank loans and overdrafts	<u>44,490</u>	<u>43,053</u>

Included within creditors falling due after more than one year is an amount of £58,190 (2013 - £75,675) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

15. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2015 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	31 Mar 15 £	31 Dec 13 £
Operating leases which expire:		
Within 1 year	-	642
Within 2 to 5 years	<u>742</u>	<u>-</u>
	<u>£742</u>	<u>£642</u>

16. CONTINGENCIES

There are contingent liabilities outstanding at the balance sheet date of £Nil (2013:£442,075) and £11,000 (2013:£11,000) in respect of trade finance and guarantees, respectively, issued in the ordinary course of business.

TECHNOCRAFT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

17. RELATED PARTY TRANSACTIONS

The ultimate parent undertaking was controlled throughout the current and previous year by its directors Mr S K Saraf, Mr S M Saraf and Mr M D Saraf, who between them, together with other close family members, own 74.97% (2013: 74.97%) of the ordinary shares of the parent undertaking.

During the period the company paid Mr C I Howard, a director, consultancy fees and commission on sales amounting to £4,800 (2013:£4,800) and £4,927 (2013:£5,488), respectively.

The company has taken advantage of the exemptions in the Financial Reporting Standard for Smaller Entities (effective April 2008) that transactions do not need to be disclosed with companies 90% of whose voting rights are controlled within the group.

18. SHARE CAPITAL

Authorised share capital:

	31 Mar 15 £	31 Dec 13 £
1,350,002 (2013 - 750,000) Ordinary shares of £1 each	<u>1,350,002</u>	<u>750,000</u>

Allotted, called up and fully paid:

	31 Mar 15		31 Dec 13	
	No	£	No	£
Ordinary shares (2013 - 500,002) of £1 each	<u>1,350,002</u>	<u>1,350,002</u>	<u>500,002</u>	<u>500,002</u>

During the period 850,000 Ordinary shares of £1 each were issued at par.

19. ULTIMATE PARENT COMPANY

The company's immediate and ultimate parent undertaking is Technocraft Industries (India) Limited, a company registered in India. The consolidated accounts of Technocraft Industries (India) Limited can be obtained from the Registrar of Companies, 100 Everest, Marine Drive, Mumbai, 400 002, India.

20. GOING CONCERN

In the course of preparing the financial statements for the period ended 31 March 2015 the directors have assessed whether the company is a going concern. They have assessed the responses of the directors of the ultimate parent undertaking, considered the current bank facilities and guarantees from the ultimate parent undertaking, all available information about the future and have prepared projected profit & loss forecasts for the two years ended 31 March 2017. No material uncertainties have been identified by the directors that may cast any significant doubt about the ability of the company to continue as a going concern.

TECHNOCRAFT INTERNATIONAL LIMITED
MANAGEMENT INFORMATION
PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 4 to 5.

TECHNOCRAFT INTERNATIONAL LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

	Period from 1 Jan 14 to 31 Mar 15	Year to 31 Dec 13
	£	£
TURNOVER		
Sales - UK	4,880,911	3,213,893
Sales - Europe	500,834	238,050
Sales - Rest of the World	939,093	481,810
	<u>6,320,838</u>	<u>3,933,753</u>
COST OF SALES		
Opening stock - finished goods	576,898	559,702
Purchases	4,863,402	3,104,203
Direct costs	229,194	148,390
Wages and salaries	810,635	356,011
Employer's NI contributions	80,357	34,145
Commissions payable	13,210	19,193
Plant leasing charges	742	642
	<u>6,574,438</u>	<u>4,222,286</u>
Closing stock - finished goods	<u>(548,401)</u>	<u>(576,898)</u>
	<u>6,026,037</u>	<u>3,645,388</u>
GROSS PROFIT	<u>294,801</u>	<u>288,365</u>
OVERHEADS		
Administrative expenses	192,039	128,543
	<u>102,762</u>	<u>159,822</u>
OTHER OPERATING INCOME		
Other operating income	95,775	-
OPERATING PROFIT	198,537	159,822
Interest receivable	2,705	444
	<u>201,242</u>	<u>160,266</u>
Interest payable	(40,108)	(41,848)
PROFIT ON ORDINARY ACTIVITIES	<u>£161,134</u>	<u>£118,418</u>

TECHNOCRAFT INTERNATIONAL LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

	Period from 1 Jan 14 to 31 Mar 15		Year to 31 Dec 13
	£	£	£
ADMINISTRATIVE EXPENSES			
Personnel costs			
Directors fees	1,000		1,000
Wages and salaries	59,867		46,930
Employers national insurance contributions	3,332		4,245
		64,199	52,175
Establishment expenses			
Rates	16,483		11,905
Light and heat	2,522		2,487
Insurance	3,175		1,804
Insurance - Type 2	21,187		-
Repairs and maintenance (allowable)	924		971
		44,291	17,167
General expenses			
Commissions payable	-		4,800
Travel and subsistence	4,149		2,366
Telephone	5,432		5,657
Printing, stationery and postage	7,305		6,517
General expenses	6,497		7,326
Legal and professional fees	3,126		7,271
Other professional fees	8,985		-
Accountancy fees	27,453		10,211
Auditors remuneration	10,000		8,000
Depreciation on freehold property	6,547		5,237
Depreciation on plant and machinery	-		954
Loss on disposal of fixed assets	-		146
		79,494	58,485
Financial costs			
Bad debts written off	-		(47,148)
Provision for doubtful debts	1,800		-
Discounts allowed	-		198
Factoring charges	-		25,013
Bank charges	61,890		17,460
Foreign currency gains/losses	(59,635)		5,193
		4,055	716
		<u>192,039</u>	<u>128,543</u>

TECHNOCRAFT INTERNATIONAL LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
INTEREST RECEIVABLE		
Bank interest receivable	2,705	351
Bank interest receivable accrued	—	93
	<u>2,705</u>	<u>444</u>
INTEREST PAYABLE		
Bank interest payable	10,331	38,614
Interest on other loans > 5yrs	29,777	3,234
	<u>40,108</u>	<u>41,848</u>

Technocraft Trading Spolka Z.O.O.

ASSETS		(IN PLN)	
No.	ITEM	31.12.2013	31.12.2014
A	Fixed Assets	1,597,453.53	1,644,999.32
I	Intangible assets	0.00	0.00
1	R&D expenses		
2	Goodwill		
3	Other intangible assets	0.00	0.00
4	Advances for intangible assets		
II	Tangible fixed assets	1,416,607.98	1,340,562.66
1	Tangible fixed assets in use	1,416,607.98	1,340,562.66
a)	land (including right to perpetual usufruct)	903,929.34	903,929.34
b)	buildings, premises, civil and water engineering structures	475,432.12	410,820.88
c)	technical equipment and machines	0.00	0.00
d)	vehicles	28,767.53	17,997.53
e)	other tangible fixed assets	8,478.99	7,814.91
2	Tangible fixed assets under construction		
3	Advances for tangible fixed assets under construction		
III	Long-term receivables	0.00	0.00
1	From related parties		
2	From other entities		
IV	Long-term investments	0.00	0.00
1	Real property		
2	Intangible assets		
3	Long-term financial assets	0.00	0.00
a)	in related parties	0.00	0.00
	- shares		
	- other securities		
	- loans granted		
	- other long-term financial assets		
b)	in other entities	0.00	0.00
	- shares		
	- other securities		
	- loans granted		
	- other long-term financial assets		
4	Other long-term investments		
V	Long-term prepayments	180,845.55	304,436.66
1	Deferred tax assets	180,845.55	304,436.66
2	Other prepayments		
B	CURRENT ASSETS	9,361,186.54	11,602,660.65
I	Inventory	3,979,222.24	4,819,588.04
1	Materials		
2	Semi-finished products and work in progress		
3	Finished products		
4	Goods	3,979,222.24	4,819,588.04
5	Advances for deliveries		
II	Short-term receivables	3,185,985.16	3,848,206.83
1	Receivables from related parties	435,270.87	511,102.66
a)	trade receivables, maturing:	435,270.87	511,102.66
	- up to 12 months		
	- above 12 months	435,270.87	511,102.66
b)	other		
2	Receivables from other entities	2,750,714.29	3,337,104.17
a)	trade receivables, maturing:	2,234,769.99	2,847,471.17
	- up to 12 months	2,234,769.99	2,847,471.17
	- above 12 months		
b)	receivables from tax, subsidy, customs, social security and other benefits	405,884.00	489,633.00
c)	other		
d)	claimed at court	110,060.30	
III	Short-term investments	2,100,948.17	2,885,743.12
1	Short-term financial assets	2,100,948.17	2,885,743.12
a)	in related parties	0.00	0.00
	- shares		
	- other securities		
	- loans granted		
	- other short-term financial assets		
b)	in other entities	0.00	0.00
	- shares		
	- other securities		
	- loans granted		
	- other short-term financial assets		
c)	cash and other pecuniary assets	2,100,948.17	2,885,743.12
	- cash in hand and at bank	2,100,948.17	2,885,743.12
	- other cash		
	- other pecuniary assets		
2	Other short-term investments		
IV	Short-term prepayments	95,030.97	49,122.66
	TOTAL ASSETS	10,958,640.07	13,247,659.97

LIABILITIES		(IN PLN)	
No.	ITEM	31.12.2013	31.12.2014
A	EQUITY	2,197,497.30	1,686,955.54
I	Share capital	2,250,000.00	2,250,000.00
II	Called up share capital (negative value)		
III	Own shares (negative value)		
IV	Supplementary capital	989,408.38	989,408.38
V	Revaluation reserve		
VI	Other reserve capitals		
VII	Previous years profit (loss)	(624,182.95)	(1,041,911.08)
VIII	Net profit (loss)	(417,728.13)	(510,541.76)
IX	Write-off on net profit during the financial year (negative value)		
B	LIABILITIES AND PROVISIONS FOR LIABILITIES	8,761,142.77	11,560,704.43
I	Provisions for liabilities	0.00	0.00
1	Provision for deferred income tax		
2	Provision for retirement and similar benefits	0.00	0.00
	- long-term		
	- short-term		
3	Other provisions	0.00	0.00
	- long-term		
	- short-term		
II	Long-term liabilities	0.00	0.00
1	To related parties	0.00	0.00
2	To other entities	0.00	0.00
	credits and loans		
	arising from issuance of debt securities		
	other financial liabilities		
	trade liabilities, maturing:		
	- up to 12 months	68,085.40	2,725,687.58
	- above 12 months	36,646.91	36,646.91
	b). Other		
2	To other entities	8,656,410.46	8,798,369.94
	credits and loans	5,019,582.72	5,241,215.73
	arising from issuance of debt securities		
	other financial liabilities		
	trade liabilities, maturing:	3,579,485.07	3,458,732.57
	- up to 12 months	3,579,485.07	3,458,732.57
	- above 12 months		
	received advances for deliveries	18,532.31	63,053.07
	bill-of-exchange liabilities		
	tax, customs, insurance and other liabilities	38,810.36	35,368.57
	payroll liabilities		
	other		
3	Special funds		
III	Short-term liabilities	8,761,142.77	11,560,704.43
1	To related parties	104,732.31	2,762,334.49
	trade liabilities, maturing:	104,732.31	2,762,334.49
	- up to 12 months	68,085.40	2,725,687.58
	- above 12 months	36,646.91	36,646.91
	b). Other		
2	To other entities	8,656,410.46	8,798,369.94
	credits and loans	5,019,582.72	5,241,215.73
	arising from issuance of debt securities		
	other financial liabilities		
	trade liabilities, maturing:	3,579,485.07	3,458,732.57
	- up to 12 months	3,579,485.07	3,458,732.57
	- above 12 months		
	received advances for deliveries	18,532.31	63,053.07
	bill-of-exchange liabilities		
	tax, customs, insurance and other liabilities	38,810.36	35,368.57
	payroll liabilities		
	other		
3	Special funds		
IV	Accruals	0.00	0.00
1	Negative goodwill		
2	Other accruals	0.00	0.00
	- long term		
	- short term		
	TOTAL LIABILITIES	10,958,640.07	13,247,659.97

Technocraft Trading Sp. z o.o.			
P & L Account Comparative variant (In PLN)			
Lp.	PERIOD:	01.01.2013- 31.12.2013	01.01.2014 31.12.2014
A	Net receipts from sales of products and equivalent to them	17,366,295.12	22,057,255.18
	<i>including: from associated units</i>	<i>534,738.58</i>	<i>1,060,312.69</i>
I	Net receipts from sales of products		
II	Change in the condition of the products (increase – in value, decrease – negative value)		
III	Cost of producing goods for own needs of the unit		
IV	Net receipts from sale of goods and materials	16,831,556.54	20,996,942.49
B	Costs of sales of products, goods and materials	17,454,322.28	22,003,884.23
I	Depreciation	77,335.31	85,473.86
II	Consumption of materials and energy	34,802.87	34,705.26
III	Foreign services	571,693.11	704,923.87
IV	Taxes and fees including - excise duty	82,125.75	95,763.59
V	Wages	791,411.17	850,149.52
VI	Social insurance and other disbursements	152,126.76	157,863.77
VII	Remaining generic costs	92,941.26	110,374.13
VIII	Value of sold goods and materials	15,651,886.05	19,964,630.23
C	Profit (loss) from sales (A – B)	(88,027.16)	53,370.95
D	Other operating receipts	1,370.32	35,264.12
I	Profit from sales of non-financial fixed assets		
II	Subsidies		
III	Other operating receipts	1,370.32	35,264.12
E	Other operating costs	123,383.72	184,808.20
I	Loss from sales of non-financial fixed assets		
II	Update of value of non-financial assets		
III	Other operating costs	123,383.72	184,808.20
F	Profit (loss) from operating activities (C + D – E)	(210,040.56)	(96,173.13)
G	Financial receipts	35,503.03	15,225.78
I	<i>Dividends and share in profit, including: including: from associated units</i>		
II	Interests <i>including: from associated units</i>	35,503.03	15,225.78
III	Profit from sale of investment		
IV	Current investment value		
V	Other (positive differences)		
H	Financial costs	282,541.12	445,871.52
I	Interests <i>including: from associated units</i>	63,822.58	65,341.57
II	Loss from sales of investments		
III	Update of value of investments		
IV	Other (NEGATIVE DIFFERENCES)	218,718.54	380,529.95
I	Profit (loss) includ. economic activity (F + G – H)	(457,078.65)	(526,818.87)
J	Result of extraordinary events (J.I. – J.II)	0.00	0.00
I	Extraordinary profits		
II	Extraordinary losses		
K	Gross profit (loss) (I ± J)	(457,078.65)	(526,818.87)
L	Income tax paid previously		107,314.00
M	Other compulsory deductions from profit (increase on loss)	(39,350.52)	(123,591.11)
N	Profit	(417,728.13)	(510,541.76)

ASSETS

NAME	Technical equ.	Cars/Forklift	Other	Property	Total	Software	Total
1/01/2014	25,501.81	110,963.44	15,042.03	665,789.29	817,296.57	8,930.00	826,226.57
Income	8,988.54				8,988.54	440.00	9,428.54
Cost	22,141.82				22,141.82		22,141.82
31/12/2014	12,348.53	110,963.44	15,042.03	665,789.29	804,143.29	9,370.00	813,513.29

DEPRETIATION

NAME	Technical equ.	Cars/Forklift	Other	Property	Total	Software	Total
1/01/2014	25,501.81	82,195.91	6,563.04	190,357.17	304,617.93	8,930.00	313,547.93
Depretiation	8,988.54	10,770.00	664.08	64,611.24	85,033.86	440.00	85,473.86
Additional	8,988.54				8,988.54		8,988.54
Cancelation	22,141.82				22,141.82		22,141.82
31/12/2014	12,348.53	92,965.91	7,227.12	254,968.41	367,509.97	9,370.00	376,879.97

NETT VALUE

NAME	Technical equ.	Cars/Forklift	Other	Property	Total	Software	Total
1/01/2014	-	28,767.53	8,478.99	475,432.12	512,678.64		512,678.64
31/12/2014	-	17,997.53	7,814.91	410,820.88	436,633.32	-	436,633.32

TOTAL DEPRECIATION OF 2014 : 85.473,86 PLN

OPINION OF THE INDEPENDENT AUDITOR

for the Members' Meeting of 'TECHNOCRAFT TRADING' Sp. z o.o.

We audited the enclosed financial report of the firm "Technocraft Trading" Sp. z o.o. having its registered office in Łódź -92-318, ul Al. Piłsudskiego 133M. The financial report consists of:

- 1) Introduction to the financial report;
- 2) Balance sheet as at 31 Dec. 2014 which on the side of assets and liabilities amounts to: **PLN 13,247, 659.97**
- 3) Profit and loss account for the accounting year commencing on 1 Jan.2014 and finishing on 31 Dec. 2014 and showing the net loss of **PLN 510,541.76**
- 4) Comparison of changes in the owner's equity for the accounting year commencing on 1 Jan.2014 and finishing on 31 Dec. 2014 showing a decrease in the equity by an amount of **PLN 510,541.76**
- 5) Cash flow account for the accounting year commencing on 1 Jan.2014 and finishing on 31 Dec. 2014 showing an increase in cash by an amount of **PLN 784,794.95**
- 6) Some additional information and explanations.

It is the Management Board that is responsible for preparing the financial report and the report on the performance in compliance with the binding provisions.

The Management Board is committed to make sure that the financial report and the performance report comply with the requirements stipulated in the act on accounting of 29 September 1994 (Official Journal of 2013, item 330 as amended) hereinafter called "the accounting act".

Our assignment was to audit and voice an opinion if the financial report complies with the principles (policy) of accountancy that are required to be applied. The other thing it was to check if it presents the financial and asset situation and the financial result of "TECHNOCRAFT TRADING" Sp. z o.o. in a reliable and clear way in all important aspects and if the accounting books that are the basis of this report are run correctly.

The audit of the financial report was carried out pursuant to the provisions of :

1/chapter 7 of the act on accounting,

2/national standards of the financial audit, issued by the National Council of the Licensed Auditors in Poland,

3/the Commercial Companies Code

We planned control and we audited the financial report in such a way as to make sure that we can express our opinion on the financial report. Particularly, the audit comprised checking if principles (policy) of the accountancy and estimations applied by "TECHNOCRAFT TRADING" Sp. z o. o. were correct; the checking of the accounting evidence and entries from which figures and information included in the financial report result, was mostly at random, but we expressed a comprehensive opinion on the financial report.

To our mind, the audit provided us with a sufficient basis to express our opinion.

We believe that the audited financial report, in all significant aspects:

a/ presents all information essential to evaluate the financial and assets situation of "TECHNOCRAFT TRADING" Sp. z o.o. as at 31 December 2014 in a reliable and clear way, the same concerns its financial result for the accounting year commencing on 1 January 2014 and finishing on 31 December 2014,

b/ was drawn up in compliance with the applicable accounting principles (policy) and on the basis of the accounting books which are run correctly,

c/ complies with law provisions and provisions of the Articles of Association that affect the contents of the financial report,

The report on the business performance of TECHNOCRAFT TRADING" Sp. z o. o. is complete as defined in art.49 (2) of the accounting act and information included in it and coming from the audited financial report is in accordance with it.

Nina Surma (signature)

Reg. no 10722

Chief Licensed Auditor auditing on behalf of

Biuro Biegłych Rewidentów "EKO-BILANS" Sp. z o.o.

90-248 Łódź, ul. POW 29/3

Entered on the list of entities entitled to audit under no 64 by

resolution 94/50/95 KRBR of 7 February 1995

27 April 2015

REPORT

**of the independent licensed auditor on financial accounts in the period between 1 Jan.
2014 and 31 Dec. 2014 of**

TECHNOCRAFT TRADING SP. Z O.O.

92-318 Łódź, Al. Piłsudskiego 133M

1. GENERAL INFORMATION OF THE REPORT

1. Data that identify the audited entity

1.1.1 Name of the audited entity and its registered office:

TECHNOCRAFT TRADING Sp. z o.o.

92-318 Łódź, Al. Piłsudskiego 133

1.1.2. The composition of the Management Board and changes that took place in this range in the audited year till the end of the audit

Sharad Kumar Saraf - President of the Board

Balraj Jadhav - Vice President of the Board

Saraf Ashis Kumar - Vice-President of the Board

There were no changes in the Management Board in the audited year of 2014 and till the end of the audit.

1.1.3. Legal grounds for the activity.

The Company runs business under the Articles of Association of 14 May 1998 drawn up in the Notary Office in Łódź before Janusz Kozłowski, a civil law notary. Register 1940/98.

Recent changes to the notarial deed – the Articles of Association:

31 July 2003 - Register No 3650/2003

31 August 2004 – Register No 4629/2004

28 April 2011 - Register 3146/2011

1.1.3.1 Registering body - **The National Court Register, 20th Division of the National Court Register**

The seat of the court: **the District Court for Łódź –Śródmieście in Łódź**

Date of entry: **11 May 2002**

No of registration: **0000111688**

1.1.3.2 Tax registration with the Tax Office in Łódź

Fiscal number (NIP) **7262212853**

EU fiscal number (NIPUE) **PL 726221853**

1.1.3.3. Statistical registration with the Central Statistical Office in Łódź

Statistical number (REGON) **471738590**

1.1.4 The objects of business that has been registered and is actually carried on

-wholesale of: raw cotton yarn, mixed yarn, clothes, steel pipes and locks for barrels – **PKD 2007 51 56 Z**

1.1.5. Total value of the capital as at 31 Dec. 2014 **PLN 1,686,955.54**

1.1.5.1 The authorized share capital amounts to **PLN 2,250, 000.00**

and is divided into 4 500 shares of 500 zlotys each.

1.1.5.2. The supplementary capital **PLN 989, 408.38**

1.1.6 The owners of the capital and changes to the ownership structure that took place in the audited year and till the end of audit

-‘Technocraft Industries’ the limited liability company with the registered office in Mumbai, India, takes 4,499 shares of the value of PLN 2,249,500.00.

- Jadhav Balraj takes 1 share of the value of PLN 500.00.

Changes to the owners of capital and to the ownership structure in the audited year and till finishing the audit did not take place.

1.1.7. Information about associated entities as at 31 December 2014.

Technocraft Industries	Mumbai, India	Capital -majority shareholder
Technocraft International Limited	England	Horizontal association

1.1.8 The balance sheet was drafted as at 31 Dec.2014.

1.1.9 The period covered by the financial report is from 1 Jan. 2014 till 31 Dec.2014.

1.1.10. The balance sheet closes with a sum of assets and liabilities amounting to

PLN 13, 247,659.97

1.1.11 The gross result from the business activity presents loss of **PLN 526,818.87**

1.1.12 The net result from the whole activity – loss of **PLN 510,541.76**

1.11.3 The audited entity provided all required by the auditor data, allowed inspecting any demanded documents and accounts. The entity also provided required information, explanations and representations.

1.11.4 Information on the financial accounts for the preceding year, i.e. for 2013

The audit of the financial accounts for the preceding year was conducted by:

Biuro Biegłych Rewidentów "EKO-BILANS" Sp. z o.o. with the office at 29/3 POW Street, 90-248 Łódź.

Type of the opinion given: unqualified.

The opinion was issued on 25 April 2014.

Date of the accounts approval:

The balance sheet for the previous year was approved by the Meeting of Members by passing Resolution 1 on 30 April 2014.

A method of the net loss settlement:

The Meeting of Members decided by Resolution 1 of 30 April 2014 to carry forward the net loss of 2013 amounting to PLN 417,728.13 to be settled by profit of the future years.

The financial report for 2013 was filed with:

-Tax office in Łódź on 8 May 2014,

-District Court in Łódź, 20th Division of the National Court Register on 7 May 2014

The report for the period preceding the present audit closed on the side of assets and liabilities by an amount equal to **PLN 10,958,640.07**

and by the financial result –gross loss equal to **PLN 457,078.65**

1.2. Data identifying the entity entitled to audit and the licensed auditor auditing the financial report on its behalf

1.2.1. The audit of the financial report was conducted under an agreement concluded on 17 October 2014 between “TECHNOCRAFT TRADING” spółka z ograniczoną odpowiedzialnością and Biuro Biegłych rewidentów “EKO-BILANS Sp. z o.o. which has been entered by the National Chamber of Licensed Auditors onto the list of entities entitled to run an audit of financial reports under no 64.

1.2.2. It was the Meeting of Members that by passing Resolution on 16 October 2014 and under the binding provisions chose a firm to carry out an audit.

1.2. 3. The auditor was provided with all the demanded documents and data, with all exhausted information and explanations and it was also provided with a representation made by the Management Board, dated 27 April 2015 about completeness of the data in the accounting books, setting out all contingent liabilities. The auditor was also informed about important events that took place after the balance sheet date till the date of submitting the representation.

1.2.4. The auditing was performed on behalf of the entitled entity by **Nina Surma, a chief licensed auditor no 10722** in the period between 30 December 2014 and 27 April 2015 in the office of the company with some intervals.

1.2.5. Declaration of independence.

We hereby declare that both the entitled entity i.e.: Biuro Biegłych Rewidentów "EKO-BILANS" sp. z o.o. with which the company concluded an agreement for auditing the financial report and the licensed auditor acting for them – Nina Surma are independent of the audited company as defined in art.56 (3) and (4) of the act on licensed auditors, their self-government and entities entitled to audit financial reports and about public supervision enacted on 7 May 2009 (OJ No77 p. 649 of 2009). We particularly confirm the independence mentioned in the code of ethics IFAC constituting the principles of the professional ethics of licensed auditors

7. Statements made by the audited entity and availability of data.

It must be said that a range of the audit was not limited in any way, while the person in charge made all statements, representations, explanations and gave all the information required by the auditor.

2. Information on assets, finance and performance results

2.1. BALANCE SHEET

Name of position in report	31 Dec. 2012	31 Dec.2013	31Dec. 2014
Fixed assets including:	1, 634,148.33	1,597, 453.53	1, 644,999.32
Tangible fixed assets	1, 492, 653.30	1, 416, 607.98	1, 340, 562.66
Long-term accruals	141,495.03	180,845.55	304,436.66
Current assets, including:	12, 016,729.96	9,361,186.54	11, 602,660.65
Stock	4, 620,733.62	3,979,222.24	4, 819,588.04
Receivables for supplies & services, <i>Incl. r. to associated entities</i>	4,995,458.40	2,670,040.86	3,358,573.83
Short-term Investment	582,950.71	435,270.87	511,102.66
Short-term Investment	1,913,210.28	2,100,948.17	2 885,743.12
Equity	2,615,225.43	2,197,497.30	1,686,955.54
Short-term liabilities including:	11,035,652.86	8,761,142.77	11 560 704.43
Liabilities by way of supplies & services, <i>Inc. to associated entities</i>	6,020,139.68	3,684,217.38	6,221,067.06
Liabilities by way of supplies & services, <i>Inc. to associated entities</i>	317,218.57	104,732.31	2,762,334.49
Credits & loans	4,974,261.82	5 ,019,582.72	5,241,215.73
Balance sheet sum	13, 650,878.29	10, 958,640.07	13,247659.97

I. ASSETS IN THE BALANCE SHEET

1. The value of all the assets of the company increased from PLN 10,958,640.07 to PLN 13,247,659.97 which brings about its increase by 20.89% in comparison to the previous year. The share of the fixed assets in the total assets stands at 12.42%. The fixed assets significantly increased by PLN 47,545.79 which constitutes an increase by 2.98%, out of which:

- Tangible fixed assets show a drop of PLN 76,045.32 i.e. by 5.37% in comparison to the previous year;

- Assets by way of the deferred income tax show an increase by PLN 123,591.11 i.e. by 68.34% in comparison to the previous year.

The current assets increased by PLN 2,241,474.11 s which gives the increase by 23.94% in comparison to the previous year. The above situation was influenced by:

- Increase in the value of stock by PLN 840,365.80 which constitutes the increase by 21.12% in comparison to the previous year;
- Increase in the value of the short-term receivables by way of supplies and services from the remaining entities by PLN 612,701.18 which constitutes an increase by 27.42% in comparison to the previous year;
- Increase in the value of cash in hand and in bank accounts by PLN 784,794.95, which constitutes the increase by 37.35% in comparison to the previous year.

In 2014 the Company's current assets constituted 87.58% of the total value of the entity's assets, in 2013 – it was 85.42% and in 2012 -88.03% of the total value of the entity's assets. The structure of the assets in the scope of years of 2012, 2013, 2014 shows a stabilized character of the entity's assets condition.

In 2014 the Current assets constituted 87.58% of the entity's total assets, in 2013 they constituted 85.42% of the entity's total assets. The assets structure over years 2012, 2013, 2014 indicate a stabilised condition of the entity's assets.

li. Liabilities in the balance sheet

In 2014 the financing sources increased by PLN 2,289,019.90 which constitutes an increase by 20.89% in comparison to the volume of the previous year. The own financing sources in the accounting year decreased by PLN 510,541.76 i.e. by 23.23% in comparison to the previous year. The decrease in the own financing sources results from the incurred net loss equal to PLN 510,541.76.

In 2014 own financing sources constituted 12.73% of the all financing sources and their value was fully covered by the value of the company's fixed assets.

External financing sources increased by an amount of PLN 2,799,561.66 i.e. by 31.95%. The above was influenced by:

- Short- term liabilities which increased by PLN 2,799,561.66, which means by 31.95%, where 94.93% of the value are short-term liabilities by way of supplies to associated entities.

In 2014 the Company renegotiated terms of revolving credits denominated in Euro and USD.

- revolving credit EUR 1, 065, 100.00
- -revolving credit USD 200, 000.00

to be paid off in 2015. In 2014 the Company paid interest on the agreed dates of payments. Security of credits is correct.

2.2. Loss and profit account

1. Profit from the business activity and its clearance

Position RZiS	31 Dec 2012	31 Dec. 2013	31 Dec.2014
Income on sale of goods, products and materials	23, 438, 742.81	17,366,295.12	22,057,255.18
Operating activity costs	23 ,432, 991.05	17,454,322.28	22,003,884.23
Profit/loss on sale	5, 751.76	-88,027.16	53,370.95
Profit/loss on operating activity	- 972.32	-210,040.56	-96,173.13
Profit/loss on	347, 234.75	-457,078.65	- 526,818.87

business activity			
Gross profit/loss	347, 234.75	-457,078.65	- 526,818.87
Net profit /loss	132, 941.23	-417,728.13	-510,541.76

In 2014 the Company reached a significant increase in the value of income on sale of goods by PLN 4,690,960.06 and the dynamics of 127.01 in comparison to 2013. The lower dynamics of costs on the operative performance of 126.07 in comparison to the dynamics of income on sale of goods allows the company to earn profit on sale of PLN 53,370.95. A change in the commercial policy commenced in 2013 and continued in 2014 in the range of enlarging a choice of products offered in a wholesale and an increase in a number of customers caused in 2014 an increase in the income on sale of goods by 27.01% in comparison to 2013. The company's result (net loss) of PLN 510,541.76 is much influenced by the result of the financial activity, which was also noted in 2012 and 2013. In 2014 as in the previous years of 2012 and 2013 the Company financed its operating activity by foreign financing sources which are revolving credits denominated in foreign currencies of Euro and USD and also since 2014 by trade credits (short-term liabilities by way of supplies and services) denominated in EUR and USD. Over the year of 2014 the currency of PLN showed a significant drop in the value in relation to the currency of USD i.e. by 16.44% and in relation to EUR by 3.52%. Depreciation of the currency of PLN resulting from a non-stable situation on the European markets and limitation on trade with Russia and Ukraine has influenced the result attained by the Company in 2014.

2.3. Ratios characterising business activity in the period 2012-2014

Profitability ratios

No	Ratio	Method of calculating ratio	Ratios			Variations	
			(1)-2012	(2)2013	(3)2014	(2)-(1)	(3)-(2)
1	Profitability ratio of the total assets	Net financial result	0.97%	-3.81%	-3.85%	-4.78	-0.04
		Total assets					
2	Profitability ratio of equity	Net financial result	5.22%	-	-	-	-8.93
		Average annual equity					
3	Profitability ratio of net sales	Net financial ratio	0.57%	-2.41%	-2.31%	-2.98	0.10
		Income on sale of products					
4	Operational Profitability ratio of gross sale	Result of sales of <u>products</u> Income on sale of goods and materials	0.02%	-0.51%	0.24%	-0.53	0.75

It results from the analysis conducted that some of the profitability ratios for 2014 in comparison to 2013 worsened. The profitability ratio of assets decreased from -3.81% to -3.85%. The profitability ratio of the equity also decreased by 8.93 percentage points, while the profitability ratio of the gross sale increased from -0.51% to 0.24% and the profitability ratio of the net sale increased by 0.10 percentage points. In 2014 the net income on sale increased by 27.01%. The operational costs increased by 26.07%. Such a change in relation caused an increase in the profitability of the company's gross sale.

Financial liquidity ratios

No.	Ratio	Method of calculating the ratio	Ratios			Variations	
			(1) 2012	(2) 2013	(3) 2014	(2)-(1)	(3)-(2)
1.	Ratio of current liquidity I	$\frac{\text{Total current assets}}{\text{Current liabilities (short-term)}}$	1.09	1.07	1.0	-0.02	-0.07
2.	Quick ratio II	$\frac{\text{Working capital} - (\text{stock} + \text{prepaid expenses})}{\text{Current liabilities (short-term-over 12 months)}}$	0.66	0.61	0.58	-0.05	-0.03
3.	Ratio of cash to debt III	$\frac{\text{Marketable Securities} + \text{cash}}{\text{Current liabilities (short-term-over 12 months)}}$	0.17	0.24	0.25	0.07	0.01

The ratio of the current financial liquidity worsened from 1.07 to 1.00 and it diverges from the optimal values of 1.5 -2.0. The ratio of quick liquidity worsened from 0.61 to 0.58, while the cash to debt ratio increased from 0.24 to 0.25. The ratio shows an increase in an ability to settle timely liabilities and its value is above the minimum value which is 0.20. So most liquidity ratios diverge from the optimal values. Despite this, taking into consideration the present level of the short-term credits and their annual renegotiation, the entity is capable of punctual settlement of liabilities.

Return on assets ratios

No	Ratio	Method of calculating the ratio	Ratios			Variations	
			(1) 2012	(2) 2013	(3) 2014	(2)-(1)	(3)-(2)
1.	Ratio of average time for settling receivables	$\frac{\text{Average receivables invoiced} \times \text{no of days in the audited period}}{\text{Income on sale}}$	69.77	80.56	49.88	10.79	-30.68
2.	Ratio of	$\frac{\text{Income on sale}}{\text{Income on sale}}$	5.23	4.53	7.32	-0.70	2.79

	receivables turnover	Average receivables					
3.	Ratio of liabilities turnover in days	Average liabilities by way of supplies, works and services x no of days in the audited period Value of goods and materials sold + cost of manufacturing sold goods	124.93	101.66	82.83	-23.27	-18.83
4.	Speed of stock turnover	Average stock x no of days in the audited period Value of goods and materials sold +cost of manufacturing sold goods	79.83	89.92	72.98	10.09	-16.94
5	Ratio of the stock turnover cycle	365/speed of the stock turnover in days	4.57	4.06	5.00	-0.51	0.94
6	Financing cycle in days	Stock cycle + receivables cycle – commercial liabilities cycle	24.67	68.82	40.03	44.15	-28.79

The ratio of the receivables turnover improved very much in 2014. The ratio of the average time for settling receivables in 2014 amounted to 49.88 days and was shortened in comparison to 2013 by 30.68 days.

The liabilities were paid in a shorter time in 2014 than in the previous year. The average cycle of clearing the liabilities stood at 82.83 days, while one year earlier the liabilities were paid usually every 101.66 days.

The stock was renewed at average every 72.98 days in 2014 and in comparison to 2013 the renewal of stock was significantly shortened by 16.94 days, showing a correct tendency.

The stock was renewed at average every 79.83 days in 2014 which indicates the considerable shortening of the cycle of the stock turnover by 16.94 in relation to 2013 when the cycle amounted to 107.38 days; the trend is correct.

The financing cycle is 40.03 days which in relation to 2013 was shortened by 28.79 days. The financing cycle in the previous year i.e. 2013 was 68.82 days and in 2012- 24.67 days.

Ratios of financing structure

No	Ratio	Method of calculating the ratio	Ratios			Variations	
			2012	2013	2014	(2)-(1)	(3)-(2)

1.	Debt ratio	Total liabilities	80.84	79.95	87.27	-0.89	7.32
		Total assets	%	%	%		
2.	Interest cover	Gross profit + interest (EBIT)	4.94	-6.16	-7.06	-11.10	-0.90
		interest					
3.	Asset coverage ratio	Equity +reserves	1.75	1.55	1.26	-0.20	-0.29
		Fixed assets (net)					
4.	Financing structure ratio	Equity +reserves+ long-term liabilities	0.19	0.20	0.13	0.01	-0.07
		Assets sum					
5.	Net income + depreciation+ amortization to total liabilities ratio	Net profit + amortization	0.02	-0.04	-0.04	-0.06	0.00
		Total liabilities					

Long-term financing sources cover 13% of the entity's assets and finance in full the fixed assets of the organization. Financing the assets decreased in comparison to the previous years when it amounted to: for 2012 and 2013 respectively: 19% and 20%. The ratio of the total debts increased from 7.32 percentage points in comparison to 2013 and in 2014 it amounts to 87.27%, which is not a correct trend.

Ratios evaluating relation of the shares

No	Ratio	Method of calculating ratio	Ratios			Variance	
			2012	2013	2014	(2)-(1)	(3)-(2)
1	Ratio of equity per 1 share	<u>Equity</u> No of shares	581.16	488.33	374.88	-92.83	-113.45
2	Net assets per 1 share	<u>Working capital</u> No of shares	218.02	133.34	9.32	-84.68	-124.02
3	Profit amount per 1 share	<u>Net profit</u> No of shares	29.54	-92.83	-113.45	-122.37	-20.62

The accounting value decreases year after year as well as the value of the net assets per one share.

According to the conducted analysis of the economic ratios we take the view that the assets and financial situation of the company indicates a stabilized and correct economic activity.

3. Detailed information about the course and results of the financial audit.

3.1. Evaluation and description of the correctness of the accounting books and accountancy and capacity to continue the economic activity.

3.1.1 Description of the accounting system.

The assessment of the accounting system applied.

1. It was established that the audited organization possesses documentation describing accounting rules adopted by it in a form of:
 - a chart of accounts approved to be applied in the organization by the owner.
 - a list of applied accounting books ,
 - a list of applied computer programmes,
 - Methods of establishing the financial result of the entity.
2. The accounting books were conducted by using a financial and accounting computer system. The applied system meets the requirements determined in art.13-18 of the accounting act.
3. No disagreements were found in entries of economic operations between those in the journal and in the accounts of the main book and the provisions in art.14 and 15 of the accounting act.
4. Accounts in the auxiliary books whose aim it to detail and complete entries in the main book were conducted according to the principles determined in the chart of accounts and are in compliance with art.17(2) of the accounting act.
5. The accounting books were correctly started, entries are complete and correct as well as their links with other documents and the financial report do not raise any reservations.
6. It was found that the organization prepared at the end of every month a comparison of the turnover and balances in the main book containing data listed in art.18(1) of the abovementioned act.
7. Since the beginning of the year accruing turnovers, comparisons of turnovers and balances are in accordance with turnovers in the journal also accruing since the beginning of the year.

8. When auditing it was found out that the accounting evidence met the requirements stipulated in art.21-23 of the accounting act.
9. The accounting books were conducted in compliance with the requirements determined in art.24-25 of the accounting act.
10. Documentation of the adopted accounting principles, accounting books discussed in art.10 and 13 of the accounting act and the accounting evidence, inventory documentation and the financial report are stored in a correct way and protected from unauthorized changes, publishing , damage and destruction.
11. The books were commenced correctly maintaining the principle of the balance continuity.
12. The organization did not introduce any changes to the accounting principles within the accounting year.

3.1.2. Evaluation of the stock-taking

The organization conducted the stock-taking of assets in the specified time in compliance with the accounting principles. No inventory differences were found.

3.1.3. Evaluating if assets and liabilities were priced correctly.

The pricing of assets and liabilities was made in compliance with the provisions of art. 28 of the accounting act.

3.1.4. Assets and liabilities – completeness and correctness of the presentation.

Particular elements of assets and liabilities result from the accounting register.

3.1.5. Correctness of presenting data in the financial reports, in the additional information and in the report of the Management Board.

1. The values presented in the financial report and in the supplementary additional information and in the Board's report are mutually coherent and are set out in a sufficient way in all important aspects.

2. The audited organization made a statement that they would continue the economic activity, discussed in art.5 (2) of the accounting act.

3. The stock is priced: products according to the purchase price.

4. The organization priced the stock as at the end of the year correctly.

The warehouse register of the organization (in a number and a value) is linked with the synthetic register of the financial-accounting register. No inconsistencies were found in entries between data in the warehouse register and the accounting books. No inventory differences were found.

5. It was found out that conformity of the analytical balances to the synthetic accounts balances was maintained correctly.

6. The accounting transfers of the final balances of the resulting accounts were made at the end of the accounting period maintaining technical correctness. Balances of the accounts of set 4 and 7 were transferred into the account "Financial Result".

7. The basis of commencing the accounting books for 2014 were data of the approved balance sheet for 2013. The balance continuity was maintained.

3.2.8. The accounting books, floppy discs, discs and other entries media, source documents and other accounting devices are stored on the premises of the organization. It was not found that unauthorized people had had access to them. The requirements determined in chapter 8 "Protection of data" in the accounting act can be deemed as satisfying.

4. Information about some significant positions in the report

4.1. General information about the financial statement

4.1.1. The Annual financial statement as at 31 Dec. 2014 comprises results from the activity in the period between 1 Jan.2014 and 31 Dec. 2014.

The profit and loss account was drawn up in a comparative variant under appendix 1 to the accounting act.

4.1.2. The audit covered:

-additional information satisfying the requirements determined by art.48 of the accounting act;

-cash flow account prepared using the indirect method in accordance with art.48b of the accounting act;

- Changes in the capital and their consistency with data resulting from the balance sheet and the loss and profit account under art.48a of the accounting act;

-report on the business performance of the organization under art.49 of the accounting act.

Other additional issues were not subject to the audit and separate reports were not drawn up by the licensed auditor.

4.2 *Supplementary information*

4.2.1. Significant violations of law, abuses

No significant violations of the binding law that would affect the financial report and the company's agreements were found.

4.2.2 Contingent liabilities

In the supplementary information the company indicated the presence of the contingent liabilities which was also confirmed during conversations with the Board and by the Company documents.

4.2.3 Events after the balance sheet date.

In the company there were no significant events after the balance sheet date which would influence the evaluation of the results of the business in 2014 and the evaluation of a threat to the business performance continuity.

5. Introduction to the financial report and the additional information

Data included in the additional information are in conformity with the data resulting from the accounting books.

Introduction to the financial report and the additional information meet requirements determined in art.48 (1) p.1 and 2 and in appendix 1 to the accounting act and they are in conformity with the data resulting from the accounting books. The indicated information was presented exhaustively. The Management Board provided appropriate information in the introduction to the report about capacity to continue the business.

6. Comparison of changes in the equity

The comparison of changes in the equity showing the equity of PLN 1,686,955.54 as at the end of 2014 was made in compliance with art.48 of the accounting act. It presents changes in the equity in 2014 made correctly.

7. Cash flow account

The report on the cash flow as at 31 December 2014 shows the values of flows of PLN 784,794.95 as at 31 December 2014, out of which:

- | | |
|--|------------------|
| - Cash flow from operative activity amounts to | PLN +622,706.27 |
| - Cash flow on the investment performance of | PLN + 5,797,24 |
| - Cash flow from the financial performance of | PLN + 156,291.44 |

From the analysis of the above flows a conclusion comes that the Company covers costs of the liabilities incurred earlier from the earned funds on the operative activity and the investment activity.

8. Report on the performance of the company

The report on the Company's performance is in conformity with data in the accounting books, meets requirements determined in art.49 (1) and (2) of the accounting act.

The Management Board provided information about continuing the company's economic activity (vide-introduction to the financial report).

9. Summing up the audit results

1. The financial result established by the Company closes with the gross loss of **PLN - 526,818.87**

2. Compulsory write-offs by way of the income tax **PLN -16,277.11**

- corporate income tax for 2014	PLN 129,193.00
-a change to the assets and reserves by way of the deferred tax	PLN -123,591.11
-corrected tax return for 2012-surplus in the income tax	PLN -21,879.00
Net loss	PLN -510,541.76

10. FINAL REMARKS

This report contains 14 numbered pages. Each page was marked with initials of the auditor at the bottom, next to the page number.

The integral part of the report is the financial account.

*Nina Surma
 Reg. number 10722
 Key licensed auditor
 Auditing on behalf of
 Biuro Biegłych Rewidentów
 "EKO-BILANS" Sp. z o.o.
 90-248 Łódź ul. POW 29/3
 Included in the list of entitled entities under number 64
 Decision no of Resolution 94/50/95 KRBR of 2 Feb. 1995*

27 April 2015

Technocraft Australia Pty Limited

TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N.89 119 021 975

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH, 2015

2014		2015
156,645.80	OPERATING PROFIT before tax	164,507.70
46,993.74	Income tax applicable thereto	49,352.40
109,652.06	OPERATING PROFIT for the year	115,155.30
462,048.70	RETAINED PROFIT B/F	571,700.76
571,700.76	RETAINED PROFIT at year end	686,856.06
\$571,700.76 =====	RETAINED PROFIT c/f	\$686,856.06 -----

TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N.89 119 021 975

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2015

2014		2015
	CURRENT ASSETS	
	Cash:	
77,645.39	Cash at bank	88,190.62
88.05	Cash on hand	397.39
	Receivables:	
1,546,225.98	Trade debtors (per schedule)	1,412,336.50
39,823.59	Other debtors	51,902.33
0.00	GST receivable	9,673.00
964,014.22	Inventories	652,224.72
2,627,797.23	TOTAL CURRENT ASSETS	2,214,724.56
	NON-CURRENT ASSETS	
13,050.14	Motor vehicle (at cost)	13,050.14
5,508.32	Accumulated depreciation	7,393.78
\$7,541.82		\$5,656.36
3,845.45	Plant & equipment (at cost)	8,338.18
1,819.83	Accumulated depreciation	4,186.00
\$2,025.62		\$4,152.18
9,567.44	TOTAL NON-CURRENT ASSETS	9,808.54
\$2,637,364.67	TOTAL ASSETS	\$2,224,533.10
	Creditors and borrowing:	
1,695,035.50	Trade creditors	1,215,725.97
42,517.88	Other creditors	51,840.68
59,992.19	GST payable	2,703.99
3,070.60	PAYG withholding payable	0.00
46,993.74	Income tax	49,352.40
1,847,609.91	TOTAL CURRENT LIABILITIES	1,319,623.04
	NON-CURRENT LIABILITIES	
1,847,609.91	TOTAL LIABILITIES	1,319,623.04
\$789,754.76	NET ASSETS	\$904,910.06
	SHAREHOLDERS EQUITY	
	Share capital:	
218,054.00	218054 shares	218,054.00

TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N.89 119 021 975

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2015

2014		2015
571,700.76	RETAINED PROFIT	686,656.06
-----		-----
\$789,754.76	TOTAL SHAREHOLDERS' FUND	\$904,910.06
=====		=====

TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N.89 119 021 975

DETAILED STATEMENT of COMPREHENSIVE INCOME YEAR ENDED 31 MARCH, 2015

2014		2015
5,537,461.23	GROSS SALES	5,795,122.53
	Less	
	COST OF SALE	
863,409.00	Opening stock	964,014.22
4,352,665.16	Purchases	4,115,340.32
421,579.15	Freight, forwarding & customs	398,413.84
25,408.81	Packing & repainting	43,572.95
111,225.55	Commission	100,707.41
5,774,287.67		5,622,048.74
964,014.22	Less closing stock	652,224.72
4,810,273.45	Cost of sales	4,969,824.02
727,187.78	GROSS PROFIT	825,298.51
	Less	
	EXPENDITURE	
10,450.00	Accountancy	10,413.64
360.00	Advertising and promotion	3,146.18
4,306.02	Bank charges	5,250.87
0.00	Bad debts	96,731.08
1,213.20	Cleaning	1,507.70
2,214.00	Consultancy	1,062.00
980.91	Computer expenses	303.50
384.55	Depreciation	623.44
0.00	Depreciation immediate w/off	1,742.73
0.00	Donations	375.00
2,755.82	Fees and licenses	931.00
0.00	Fringe benefits tax	2,806.84
165,931.68	Forex loss	143,104.03
7,642.04	Insurance	7,978.69
1,433.69	Internet expenses	2,188.88
29,526.65	Legal fees	24,229.83
5,567.99	Light and power	4,797.73
8,386.59	Motor vehicle expenses	5,963.84
901.11	Printing & stationery	148.18
312.23	Postage	178.79
96,000.00	Rent	84,000.00
1,282.12	Repairs & maintenance	3,474.43
201,570.10	Salaries wages and allowances	220,185.58
550.00	Security expenses	884.00
0.00	Subcontractors	428.97
18,150.00	Superannuation contributions	20,649.00
3,326.70	Staff amenities	2,753.02
395.00	Staff training	0.00
3,899.02	Telephone	1,087.10

TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N.89 119 021 975

DETAILED STATEMENT of COMPREHENSIVE INCOME YEAR ENDED 31 MARCH, 2015

2014			2015
7,820.15	Travel & fares	13,844.76	
575,359.57			660,790.81
151,828.21	OPERATING PROFIT for period		164,507.70
2,207.59	Interest received		0.00
2,610.00	Employees' contribution		0.00
\$156,645.80	TOTAL OPERATING PROFIT		\$164,507.70
-----			-----

Technocraft Australia Pty Ltd

For The Year Ended 31st March 2015

Schedule of Motor Vehicles

Depreciation	1,885.46
Drivers licence	
Insurance	1,608.52
Interest	
Loss on sales	
NRMA subscription	
Other expenses	
Parking & Toll	44.64
Petrol	1,352.22
Registration	498.00
Rental	
Repairs and maintenance	575.00
	<u>5,963.84</u>

Less: FBT employees' contributions

Total claimed	<u><u>5,963.84</u></u>
---------------	-------------------------------

Depreciation Schedule

Description	Purchase Date	Original Cost	Addition	OWDV	Rate	Dep'n	Disposal	CWDV	Days
Car- Sydney	30/04/2012	13,050.14		7,541.82	25.00%	1,885.46		5,656.37	365
Total		<u><u>13,050.14</u></u>		<u><u>7,541.82</u></u>		<u><u>1,885.46</u></u>		<u><u>5,656.37</u></u>	

Technocraft Australia Pty Ltd

For The Year Ended 31st March 2015

Depreciation Schedule

Plant & Equipment

Item	Purchase Date	Cost	OWDV	Rate	Dep'n	CWDV
B/F		1,590.91	569.19	10.00%	159.09	410.10
Office Equipment	07/09/2009	408.09	263.38	10.00%	40.91	222.47
Chairs	13/05/2010	436.36	310.58	10.00%	43.64	266.94
Office Equipment	28/03/2012	1,409.09	1,267.02	10.00%	140.91	1,126.11
Office Equipment- surveillance	09/04/2014	2,150.00	-	10.00%	210.29	1,939.71
Office Equipment- surveillance	09/10/2014	600.00	-	10.00%	28.60	571.40
		6,595.45	2,410.17		623.44	4,536.73

Immediate write off

Item	Purchase Date	Cost	OWDV	Rate	Dep'n	CWDV
Office Tel equip	28/05/2014	1,030.00	-	100.00%	1,030.00	-
Office Computer	27/10/2014	712.73	-	100.00%	712.73	-
		1,742.73	-	200.00%	1,742.73	-

Technocraft Australia Pty Ltd
For The Year Ended 31 March 2015

Commission

Wise Step - China	97,560.00
Geoff	3,147.41
	100,707.41

Bad Debts

Western Scaffold	1,349.28
	1,349.28

Fees & Licences

ASIC renew	236.00
Wyndha	470.00
SU\lab	225.00
	931.00

Insurance

General Business insurance	1,311.50
Work cover - QBE	4,385.25
Medibank private doclands	2,320.21
Refund	38.23
	7,978.73

Legal fees

SUWyndham	23,629.83
SURumore	600.00
	24,229.83

Travel and fares

Flights/ Travel - business trips	13,844.76
Others	
	13,844.76

Other debtors

Advance Fork Force	2,900.00
Advance Wellmade - China	5,803A 3
PAYG instalments	25,599.20
Land lord deposit	17,600.00
	51,902.33

Other creditors

Advance from CGS	41,430.21
Advance from Full strength	2,402.33
Other	3,515.30
Payroll accruals	1,686.00
FYI payable	2,806.84
	51,840.68

Anhui Reliable Steel Company Ltd

**ANHUI RELIABLE STEEL
TECHNOLOGY CO.LTD**

Audit Report For The Year 2014

ChuHengShenZi[2015]NO.041

Chuzhou Heng Li Xin

Certified

Public Accountants Office

**Address: Room 406, Building 2, Xianggangcheng, Chuzhou,
China**

Tel: +86 550 3045078

Fax: +86 550 3046378

Report of the Auditors

ChuHengShenZi[2015]NO. 041



All the shareholders of ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD:

We have audited the financial statements of ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD (hereinafter referred to as "the company"), including the balance sheet by December 31, 2014 and the profit statement, cash flow statement, statement of equity changes and notes to the financial statements of 2014.

I. Responsibilities of management

The directors of the company are responsible for the preparation and fair presentation of these financial statements. Such responsibilities include the following: (1) Prepare and fair present the financial statements in compliance with Accounting Standards for Business Enterprises and Accounting Systems for Business Enterprises; (2) Design, execute and maintenance of financial statements and related internal controls, so there is no material misstatement due to fraud or error.

II. Responsibilities of auditors

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with Chinese Certified Public Accountants Auditing Standards. Those standards require us to comply with the professional ethics and to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes the implementation of auditing procedures to obtain evidence relevant to the amounts and disclosures in the financial statements. The auditing procedures selected depend on the auditor's professional judgment, including the risk assessment on the material misstatement of the financial statements due to fraud or error. Following a risk assessment, we are considering the internal controls related to the preparation and fair presentation of financial statements to design appropriate audit procedures. But the purpose is not to express our views on the effectiveness of internal controls. An audit also includes assessing the reasonableness of the accounting policies and accounting estimates selected by the management, as well as evaluating the overall financial statement presentation.

We believe that our audit obtained sufficient and adequate evidence to provide the basis for our opinion.

III. Audit opinion

In our opinion, the company's financial statements presented fairly, in all material respects, the financial position of the company by December 31, 2014 and the results of its operations and its cash flows, in conformity with Accounting Standards for Business Enterprises and Accounting Systems for Business Enterprises.

Chuzhou Heng Li Xin Certified Public Accountants Office



Chuzhou, China

Certified Public Accountant:



Certified Public Accountant:



March 20, 2015



Balance Sheet

Name of enterprise: ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD

Unit: RMB Yuan

ASSETS	NO.	Beginning balance	Ending balance	Liabilities and owners' equity	NO.	Beginning balance	Ending balance
Current assets:	1			Current liability:	36		
Cash	2	3,015,608.39	1,588,115.73	Short-term borrowings	37	32,931,203.00	32,850,150.00
Transaction financial assets	3			Transaction financial liabilities	38		
Notes receivable	4	350,000.00	50,000.00	Notes payable	39		
Accounts receivable	5	18,527,826.65	7,005,273.23	Accounts payable	40	11,673,866.89	10,836,678.22
Prepayments	6	3,104,747.82	2,230,576.38	Advance receipts	41	10,931,076.08	-15,158.00
Interest accrued	7			Employee pay payable	42	627,495.94	1,799,736.51
Dividend receivable	8			Taxes payable	43	13,021.03	122,149.53
Other receivables	9	965,324.53	475,466.46	Accrued Interest Payable	44	277,727.81	757,846.24
Inventories	10	21,550,419.83	25,020,101.74	Dividends payable	45		
Current portion of non-current assets	11			Other payables	46		728,348.20
Other current assets	12			Non-current liabilities due within one year	47		
Total current assets	13	47,514,127.22	36,369,535.60	Other current liabilities	48		
Non-current assets:	14			Total current liabilities	49	56,454,389.75	47,112,069.10
Financial assets available for sale	15			Non-current liabilities:	50		
Held-to-maturity investments	16			Long-term loans	51		
Long-term account receivable	17			Bonds payable	52		
Long-term equity investments	18			Deferred income	53		
Investment properties	19			Special payable	54		
Fixed assets	20	24,607,851.24	28,923,590.84	Accrued liabilities	55		
Minus: accumulated depreciation	21	4,683,733.69	6,425,003.09	Deferred income tax liabilities	56		
Net value of fixed assets	22	19,924,117.55	22,498,587.76	Other non-current liabilities	57		
Construction in progress	23			Total non-current liabilities	58		
Construction materials	24			Total liabilities	59	56,454,389.75	47,112,069.10
Liquidation of fixed assets	25			Owners' equity:	60		
Productive biological assets	26			Paid-up capital	61	15,129,621.98	15,129,621.98
Oil And Gas Assets	27			Capital reserves	62		
Intangible assets	28	2,249,952.00	2,201,040.00	Special reserves	63		
Development expenditure	29			Minus: treasury stock	64		
Goodwill	30			Surplus reserves	65		
Long-term deferred expenses	31	161,822.03	162,760.57	Undistributed profits	66	-1,733,992.93	-983,366.85
Deferred income tax assets	32			Total owners' equity	67	13,395,629.05	14,146,255.13
Other non-current assets	33				68		
Total non-current assets	34	22,335,891.58	24,998,788.63		69		
Total assets	35.00	69,850,018.80	61,258,324.23	Total liabilities and owners' equity	70.00	69,850,018.80	61,258,324.23

(The accompanying notes constitute an integral part of these financial statements)

Legal Representative:

General Manager Of Accounting:

Chief Financial Officer:

Income Statement

Name of enterprise: ANHUI RELIABLE STEEL TECHNOLOGY
CO.LTD

Unit: RMB Yuan

Item	NO.	Last Year	This Year
I. Revenue	1	82,352,110.82	89,742,969.02
Minus: Operating costs	2	74,418,903.77	80,587,591.01
Business taxes and surcharges	3	7,387.36	6,208.54
Selling expenses	4	2,122,810.92	2,662,418.73
General and administrative expenses	5	2,823,637.30	4,020,998.46
Financial expenses	6	2,745,873.84	2,763,148.51
Asset impairment losses	7		
Plus: Changes of fair value of assets	8		
Investment income	9		
Include: Income from associates	10		
II. Operating profit	11	233,497.63	-297,396.23
Plus: Non-operating income	12	135,000.00	1,180,585.36
Minus: Non-operating expense	13	9,814.79	132,563.05
Include: Losses on disposal of non-current assets	14		
III. Total profits	15	358,682.84	750,626.08
Minus: Income tax expenses	16		
IV. Net profit	17	358,682.84	750,626.08
V. Earnings per share	18		
(1) Basic EPS	19		
(2) Diluted EPS	20		

(The accompanying notes constitute an integral part of these financial statements)

Legal Representative:

General Manager Of Accounting:

Chief Financial Officer:

Statement of Cash Flows

Name of enterprise: ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD

Unit: RMB Yuan

Item	NO.	Last Year	This Year
I. Cash flow from operations:	1		
Cash received from sales of goods or rendering services	2	83,461,794.33	93,366,323.62
Refunds of taxes	3	3,861,794.55	4,671,501.53
Cash received relating to other operating activities	4	141,136.40	801,986.39
Sub-total of cash inflows from operating activities	5	87,464,725.28	98,839,811.54
Cash paid for goods or receiving services	6	76,008,389.87	82,164,399.30
Cash paid to and on behalf of employees	7	7,917,702.68	9,469,324.99
Tax payments	8	651,527.26	527,613.52
Cash paid relating to other operating activities	9	3,318,670.62	2,649,753.77
Sub-total of cash outflows from operating activities	10	87,896,290.43	94,811,091.58
Net cash flow from operating activities	11	-431,565.15	4,028,719.96
II. Cash flows from investment activities:	12		
Cash received from disposal of investments	13		
Cash received from investments income	14		
Net cash received from disposal of fixed assets intangible assets and other long-term assets	15		20,000.00
Cash received relating to other investing activities	16		
Sub-total of cash inflows from investing activities	17		20,000.00
Cash paid to acquire fixed assets intangible assets and other long-term assets	18	1,026,859.93	3,060,445.85
Cash paid to acquire investments	19		
Cash payments relating to other investing activities	20		
Sub-total of cash outflows from investing activities	21	1,026,859.93	3,060,445.85
Net cash flow from investing activities	22	-1,026,859.93	-3,040,445.85
III. Cash flows from financing activities:	23		
Cash from absorption of investments	24	973,705.55	
Receipts from loan	25	15,841,120.00	21,387,732.00
Cash received relating to other financing activities	26		
Sub-total of cash inflows from financing activities	27	16,814,825.55	21,387,732.00
Repayments of financial institution borrowings	28	13,000,000.00	21,501,272.00
Dividends paid, profit distributed or interest paid	29	2,409,163.64	2,302,426.77
Cash payments relating to other financing activities	30		
Sub-total of cash outflows from financing activities	31	15,409,163.64	23,803,698.77
Net cash flow from financing activities	32	1,405,661.91	-2,415,966.77
IV. Effect of foreign currency translation	33		
V. Net increase in cash and cash equivalents	34	-52,763.17	-1,427,692.66
Plus: Opening balance of cash and cash equivalents	35	3,068,571.56	3,015,808.39
VI. Ending balance of cash and cash equivalents	36	3,015,808.39	1,588,115.73

(The accompanying notes constitute an integral part of these financial statements)

Legal Representative: General Manager Of Accounting: Chief Financial Officer:

Statement of Equity Changes

Name of enterprise: ANNU RULABLE STEEL TECHNOLOGY CO.,LTD

Unit: RMB Yuan

NO.	2013-12-31					2014-12-31						
	paid-up capital	Capital Reserve	Less: Treasury share	Surplus Reserve	Undistributed Profits	Total Owner's Equity	paid-up capital	Capital Reserve	Less: Treasury share	Surplus Reserve	Undistributed Profits	Total Owner's Equity
I. Balance at end of last year	14,155,916.43				-1,929,724.52	12,226,191.91	15,129,621.98				-1,885,091.18	13,244,530.80
Plus: Changes in accounting policies												
Corrections of prior period errors												
II. Opening balance of this year	14,155,916.43				-1,846,689.02	12,309,227.41	15,129,621.98				-1,733,992.91	13,395,629.07
III. Increases and Decreases of This Year:												
(I) Net profit					358,682.84	358,682.84					750,626.38	750,626.38
(II) Gain and losses directly recorded into the owner's equity:					358,682.84	358,682.84					-750,626.38	-750,626.38
1. Net change in fair value of financial assets available for sale												
2. Other changes of other owner's equities of financial company according to equity method												
3. Other net income taxes related to items recorded into the owner's equity												
4. Others												
Subtotal of (I) and (II)					358,682.84	358,682.84					150,626.08	150,626.08
(III) Capital investment unit reduced by the owners	993,705.55					973,705.55						
1. Owners' devoted capital												
2. Amount of share-based payments recorded into the owner's equity												
3. Others	993,705.55					973,705.55						
(IV) Profits distribution												
1. Withdrawal surplus reserves												
2. Distribute to owners (or shareholders)												
3. Others												
(V) Internal carry-forward of owners' equities												
1. Capitalized capital (or stock) reserves												
2. Capitalized surplus (or stock) reserves												
3. Surplus reserves make-up losses												
4. Others												
IV. Ending balance of this year	15,129,621.98				-1,488,053.18	13,641,568.80	15,129,621.98				-983,366.85	14,146,255.13

Legal Representative:

General Manager Of Accounting:

Chief Financial Officer:

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD

Statement of the margin between ending balance on the balance sheet (Dec.31, 2013) and opening balance on the balance sheet (Dec.31, 2014)

Accounting Subject	Dec.31, 2013 Ending balance on the balance sheet	Dec.31, 2014 Opening balance on the balance sheet	Margin	Reason
Original value of fixed assets	24,057,507.27	24,607,851.24	550,343.97	Indian equipment original price returned and 174361.88 Yuan reduced. Indian equipment imported and original price 724705.85 Yuan added.
Accumulated depreciation	4,641,241.11	4,683,733.69	42,492.58	Indian equipment depreciation returned and 38650.22 Yuan reduced. Indian equipment imported and depreciation 81142.80 Yuan added.
Accounts payable	11,123,522.92	11,673,866.89	550,343.97	Indian equipment payment returned and 174361.88 Yuan reduced. Indian equipment imported and payment 724705.85 Yuan added.
Tax payable	-190,476.14	13,021.03	203,497.17	Nondeductible input VAT of ocean freight in the year 2013: 190656.87 Yuan transferred-out. VAT and overdue fine: 12840.30 Yuan repay.
Distribution of profits	-1,488,003.18	-1,733,992.93	-245,989.75	Indian equipment depreciation returned and 38650.22 Yuan reduced. Indian equipment imported and depreciation 81142.80 Yuan added. Nondeductible input VAT of ocean freight in the year 2013: 190656.87 Yuan transferred-out. VAT and overdue fine: 12840.30 Yuan repay.

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2014

I. Company profile

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD is a foreign-invested enterprise founded in April, 2008. The company is authorized by "CERTIFICATE OF APPROVAL FOR ESTABLISHMENT OF ENTERPRISES WITH FOREIGN INVESTMENT IN THE PEOPLE'S REPUBLIC OF CHINA"(WaiZiWanFuZi[2008]NO.71) granted by the government of Anhui province, and hold the business license (registered number: 341100400001625) issued by Chuzhou Industry & Commerce Administration Bureau. The company's investor is TECHNOCRAFT INDUSTRIES (INDA) , and the registered capital is 2.25 million U.S. dollars.

Operating period: 49 years.

Business scope: Manufacture and sell drum seal and false work (operate according to the related certificates).

Company address: Quanjiao Comprehensive Economic Developing Zone, Anhui Province, China.

Legal representative: PADIA KRIDAN HARESIL

II. Explanations on the important accounting policies and accounting estimates

1. The accounting standards and system currently executed by the company

The company's financial statements executes the "Accounting Standards for Business Enterprises", and promise to give a true and complete reflection of the financial condition, operating results and cash flow.

2. The basis of financial statement

Under the assumption of continuous operating, the company affirm and calculate the actual

transactions according to the "Accounting Standard for Business Enterprises: Basic Standard" and other items of accounting standard. These are the ground of the company's financial statements.

3. Fiscal period

There are two kinds of fiscal period: annual and interim. The fiscal annual starts from January 1 to December 31 of each calendar year, while the interim period include monthly, quarter and semi-annual.

4. Bookkeeping currency and foreign currency accounting

The company adopts RENMINBI(RMB) as currency used in bookkeeping.

As for the foreign currency transaction, the accounting method is to convert the foreign currency into RMB based on the spot rate of the transaction day. As for the conversion of monetary items on the balance sheet date, the spot rate on the balance sheet date is adopted. Exchange differences, which arising from the difference between the spot rate on the balance sheet date and the spot rate on the former balance sheet date or the first confirmation date, is the exchange gains and losses of foreign currency loans related to fixed assets purchase, and the accounting shall capitalization the borrowing costs. In addition, the costs shall be contained in the long-term deferred expenses if it incurred in the construction period, while it shall be contained in the finance costs if related to the company's operation.

5. Bookkeeping basis and pricing principle

The company adopts the accrual basis and the debit-credit bookkeeping as accounting principles. And assets are measured at their historical cost.

6. Recognition criteria of cash equivalents

Cash equivalents are short-term (mature within three months) and highly liquid investments, which can easily convert into knowable amounts of cash and subject to an insignificant risk of value change.

7. The checking and calculating of bad receivables

(1) Criteria for recognition of bad debts

① The debtor is bankrupt or dead while the accounts receivable is not recoverable by the debtor's bankrupt property or inheritance;

② There are significant signs that indicate the matured debts cannot be taken back.

Above receivables should be ratified by the board as bad debts.

(2) Method on bad debts calculation: The allowance method.

8. Accounting method on inventory

(1) Classification of inventory

The inventories of the company include raw materials, packaging materials, low-value consumable items, finished products, unfinished products etc.

(2) Measurement of inventories' prices

The inventories obtaining are priced at the actual cost, while the inventories sending out are priced with the weighted average method. The low-value consumable items and packaging materials are amortized by immediate write-off method when consumed. The calculation of products' cost is under the species-classification method. The merchandise inventories are priced at the actual cost, while priced according to the weighted average method at the time of sending off.

(3) Recognition and measurement for inventory impairment provision

The final inventory is priced at the smaller amount between the cost and the net realizable value. The reserves for devaluation is calculated based on individual item of inventory, and then included in the current profit and loss.

9. Valuation, depreciation policy and depreciation reserves for fixed asset

(1) Identifying fixed asset

① Fixed asset represents the kind of building, mechanical equipment, vehicle and other operational appliances that is capable to serve for more than one year;

② Or main appliance and article, irrelevant to production or operation, whose unit price is over 2,000 RMB and survive no less than two years.

(2) The recognition criteria and calculation method of fixed assets' valuation and depreciation reserves

The fixed assets are priced at the actual cost in the obtaining time. At the end of each year, the company checked the fixed assets items by items, and the depreciation reserve is equal to the recoverable amount minus the book value. The depreciation reserve for fixed asset, booked by

individual, would be included in current profit and loss.

(3) Depreciation methods for fixed asset:

The depreciation of fixed assets is calculated with the straight-line method. Fixed assets' life spans are determined by their classification, while the residue rate is 10%. There are kinds of fixed assets with various depreciation life and yearly depreciation:

Category	Life Span (Year)	Residue Rate (%)
House and Building	20	5
Mechanical equipment	10	5
Office Equipment	3—5	5
Vehicle	4	5

10. Accounting method on construction-in-progress

Construction-in-progress is booked according to the actual expenditures, and shall be accounted as fixed asset when its workable condition is reached. Comprehensive evaluation on construction-in-progress would be taken at the end of each year. If evidences show that construction-in-progress is decrease in value, then the reduction should be recognized as depreciation reserves and included in the current profit and loss. Besides, the reserves for devaluation booked in an individual way.

11. Valuate and amortize intangible asset

- (1) The intangible asset is priced at the actual cost when obtaining
- (2) The intangible assets amortized evenly in the period prescribed by law. If no such legal requirement existed, the own-decided amortization year should be less than 10 years.

(3) Intangible assets' provision for impairment: At the end of each year, the company evaluates the economic capability of all the intangible assets. For assets whose expected recoverable amount below its book value, the devaluation should be reserved and included in the current profit and loss. Besides, the reserves for devaluation booked in an individual way.

12. Principle of revenue recognition

Revenue is recognized when products' ownership have transferred to the customer, and the company have got the rewards or the relevant rights. Specifically, revenue shall be recognized when

all the following conditions have been satisfied:

(1) The significant risks and rewards related to the ownership of the goods have been transferred to the buyer;

(2) The Company retains no continuous right of management that associated with the ownership, nor the right of control over the sold goods;

(3) The Company could receive the economic benefits associated with the transaction;

(4) The amount of revenues and costs can be measured reliably.

Other revenues get recognized when the service is finished and the charge(credential for charge) is received.

13. Governmental subsidy

For the governmental subsidy that related to profit, if it is used for compensate the afterward expense or loss, then subsidy would be included in profit and loss in the expense-accounting period; if the subsidy is used for compensate expense or loss in earlier stage, then subsidy would be included in current profit and loss.

For those governmental subsidy that related to property, it shall be recognized as deferred income and included in the current profit and loss directly.

14. Tax

Categories of taxes and their rate are listed as follows:

(1) Added-value tax: the rate of output tax is 17%;

(2) Urban construction tax: 5% of the amount of circulation tax;

(3) Extra charges of education funds: 3% of the amount of circulation tax;

(4) Local extra charges of education funds: 2% of the amount of circulation tax;

(5) Income tax: adopt the tax payable accounting method.

III. Significant changes of accounting policies and accounting estimates; Corrections of prior period errors.

None.

IV. Contingencies

None.

V. Notes of the financial statement:

1. Monetary assets

Item	Opening Balance	Ending balance
Cash	28,577.14	132,665.22
Cash in bank	2,987,231.25	1,455,450.51
Total	3,015,808.39	1,588,115.73

2. Notes receivable

Debtors' names	Ending balance	Business content	Remark
Taicang Sifangyouxin Drum Co., Ltd.	50,000.00	Paid by banker's acceptance bill	Six months
Total	50,000.00		

3. Account receivable

(1) Aging analysis

Aging	Beginning of the year			End of the year		
	Amount	Proportion	Provision for bad debts	Amount	Proportion	Provision for bad debts
Within one year	17,956,198.20	96.91%		7,005,273.29	100%	
One to three years	571,628.45	3.09%				
Total	18,527,826.65	100%		7,005,273.29	100%	

(2) Principal debtors

No.	Debtors' name	Ending balance	Reason	Aging
1	WISE STEP (USA)	3,171,179.52	Payment for goods	Within one year

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NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2014

2	ATP	1,538,183.76	Payment for goods	Within one year
3	JFE Steel Drum (Zhejiang) Co., Ltd.	632,750.00	Payment for goods	Within one year
4	Ningbo Jilong Steel Co., Ltd.	455,000.00	Payment for goods	Within one year
5	Australian	258,906.87	Payment for goods	Within one year

4. Prepayment

(1) Aging and proportion analysis

Aging	Beginning of the year			End of the year		
	Amount	Proportion	Provision for bad debts	Amount	Proportion	Provision for bad debts
Within one year	1,686,213.25	54.31%		1,844,871.16	82.71%	
One to three years	904,058.52	29.12%		80,113.62	3.59%	
Above three years	514,476.05	16.57%		305,593.60	13.70%	
Total	3,104,747.82	100%		2,230,578.38	100%	

(2) Principal debtors

No.	Debtors' name	Ending balance	Reason	Aging
1	Wuxi Tengyi Material Co., Ltd.	467,572.55	Advance payment	Within one year
2	Zhangjiagang Dongsheng Metal Products Factory	418,560.00	Advance payment	Within one year
3	Wang Minghong	305,593.60	Advance payment	Above three years
4	Nanjing Hongye Int'l Forwarding	163,000.79	Advance payment	Within one

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	Co., Ltd			year
5	Changzhou Feimansi Welding Equipment Co., Ltd	175,000.00	Advance payment	Within one year

5. Other receivables

(1) Aging analysis

Aging	Beginning of the year		End of the year	
	Amount	Proportion	Amount	Proportion
Within one year	908,983.32	94.16%	393,875.25	82.78%
One to three years	16,341.21	1.69%	37,941.21	7.97%
Above three years	40,000.00	4.15%	44,000.00	9.25%
Total	965,324.53	100%	475,816.46	100%

(2) Principal debtors

No.	Debtors' name	Ending balance	Reason	Aging
1	Refunding export taxes receivable	393,875.25	Taxation	With in one year
2	Quanjiao administration of power supply	60,000.00	Guarantee deposit	Above three years
3	Zhang Ping	11,991.21	Borrowing	One to three years

6. Inventory

Category	Beginning of the year		End of the year	
	Amount	Proportion	Amount	Proportion
Raw materials	5,257,439.29	24.40%	3,739,093.34	14.95%
Revolving material			976,572.28	3.90%
Unfinished products	6,686,688.02	30.03%	6,144,667.65	24.56%
Finished products	9,606,292.52	44.57%	14,159,768.46	56.59%
Total	21,550,419.83	100%	25,020,101.74	100%

7. Fixed assets

(1) Original value and accumulated depreciation

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Item	Beginning balance	Increase for current period	Decrease for current period	Ending balance
① Original value:	24,607,851.24	4,499,211.33	186,471.73	28,920,590.84
(a) House and Building	14,360,702.78	2,260,231.00		16,620,933.78
(b) Mechanical equipment	9,685,711.58	1,900,151.94	186,471.73	11,399,391.79
(c) Electronic equipment	165,679.08	904,34.92		256,114.00
(d) Transportation vehicles	350,072.65	231,093.47		581,166.12
(e) Furniture and instrument	45,685.15	17,300.00		62,985.15
② Accumulated depreciation:	4,683,733.69	1,802,502.38	61,232.99	6,425,003.08
(a) House and Building	2,196,337.03	682,133.37		2,878,470.40
(b) Mechanical equipment	2,139,538.72	1,012,729.44	61,232.99	3,091,035.17
(c) Electronic equipment	84,396.93	31,757.20		116,154.13
(d) Transportation vehicles	240,832.81	65,759.76		306,592.57
(e) Furniture and instrument	22,628.20	10,122.61		32,750.81
③ Net value of fixed assets	19,924,117.55	2,696,708.95	125,238.74	22,495,587.76

(2) The ownership of the house buildings on the company's usable land, have been mortgaged

to the Quanjiao Sub-branch of Industrial and Commercial Bank of China for loans.

(3) In this period, none of the fixed assets were in idle mode or held for sale, neither did them belong to finance rent or operating lease.

8. Construction-in-progress

Item	Beginning balance	Increase for current period	Decrease for current period	Ending balance
Construction		1,915,231.00	1,915,231.00	
Total		1,915,231.00	1,915,231.00	

9. Intangible assets

(1) Original value and accumulated amortization

Item	Beginning balance	Increase for current period	Decrease for current period	Ending balance
① Original value of intangible assets	2,445,600.00			2,445,600.00
Land usage right	2,445,600.00			2,445,600.00
② Accumulated amortization	195,648.00	48,912.00		244,560.00
Land usage right	195,648.00	48,912.00		244,560.00
③ Net value of intangible assets	2,249,952.00	-48,912.00		2,201,040.00

(2) The company's have the right of land-use on 32415.06 square metre, and this item's amortization period is 50 years.

(3) The ownership of the company's usable land have been mortgaged to the Quanjiao Sub-branch of Industrial and Commercial Bank of China for loans.

10. Long-term deferred expenses

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Item	Beginning balance	Increase for current period	Amortization in current period	Ending balance
Mold expense	161,822.03	89,183.24	58,844.40	192,160.87
Total	161,822.03	89,183.24	58,844.40	192,160.87

11. Short-term borrowing

Lenders	Ending balance	Loan period	Rate of interest	Expired or not
TECHNOCRAFT INDUSTRIES (INDIA)	8,994,930.00	Two Years		Not expired
Quanjiao Sub-branch of Industrial and Commercial Bank of China (US dollars)	2,325,220.00	One year		Not expired
Quanjiao Sub-branch of Industrial and Commercial Bank of China	10,500,000.00	One year		Not expired
Shanghai Sub-branch of Citibank	11,030,000.00	One year		Not expired
Total	32,850,150.00			

Note: The ending balance of the loan from TECHNOCRAFT INDUSTRIES (INDIA) is 1,470,000.00 US dollars. The ending balance of the US dollars' loan from Quanjiao Sub-branch of Industrial and Commercial Bank of China is 380,000.00 US dollars.

12. Account payable

(1) Aging analysis

Aging	Beginning of the year		End of the year	
	Amount	Proportion	Amount	Amount
Within one year	10,535,686.59	90.25%	10,838,678.22	100%
One to three years	674,364.22	5.78%		
Above three years	463,816.08	3.97%		
Total	11,673,866.89	100%	10,838,678.22	100%

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(2) Principal Creditors

No.	Creditors' name	Ending balance	Reason	Aging
1	TECHNOCRAFT INDUSTRIES (INDIA)	1,267,536.46	Payment for goods	With in One year
2	Assess on materials expenses	1,884,508.21	Payment for goods	With in One year
3	Assess on project funds	1,294,058.00	Payment for goods	With in One year
4	Yangzhou Lianqiao Machinery Factory	977,971.00	Payment for goods	With in One year
5	Chuzhou Xinyi Machinery Co., Ltd.	657,242.30	Payment for goods	With in One year
6	Rufu Aizhong Machinery Manufacturing Co., Ltd.	310,929.48	Payment for goods	With in One year

13. Advances from customers

(1) Aging analysis

Aging	Beginning of the year		End of the year	
	Amount	Proportion		Amount
Within one year	10,927,153.08	99.96%	15,158.00	100%
One to three years	3,922.00	0.04%		
Total	10,931,075.08	100%	15,158.00	100%

(2) Principal Creditors

No.	Creditors' name	Ending balance	Reason	Aging
1	Maansha Yintian Steel Co., Ltd.	13,358.00	Payment for goods	With in One year
2	Shanghai Qixin Group Co., Ltd.	1,800.00	Payment for goods	With in One year

14. Employee pay payable

Item	Beginning balance	Increase for current period	Decrease in current period	Ending balance

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Wages payable	657,050.46	9,615,317.08	8,510,832.14	1,761,535.40
Insurance	29,554.52	911,442.16	843,686.43	38,201.21
Total	627,495.94	10,526,759.24	9,354,518.57	1,799,736.61

15. Taxes payable

No.	Tax item	Beginning balance	Ending balance
1	Value added tax(VAT) payable	12,648.64	19,000.24
2	Accrued income tax payable		322.70
3	Personal income tax payable	372.39	
4	Building tax payable		33,953.40
5	Land use right tax payable		64,830.14
6	Urban construction tax payable		1,080.27
7	Extra charges of education funds payable		648.16
8	Local extra charges of education funds payable		432.11
9	Stamp tax payable		1,882.81
	Total	13,021.03	122,149.83

16. The ending balance of interest payable, which belongs to the interest of borrowings from TECHNOCRAFT INDUSTRIES (INDIA) , is 757,848.24 RMB.

17. Other payables

(1) Aging analysis

Aging	Beginning of the year		End of the year	
	Amount	Proportion	Amount	Proportion
Within one year			728,348.20	100%
One to three years				
Total			728,348.20	100%

(2) Principal Creditors

No.	Creditors' name	Year end balance	Reason	Aging
I	PADIA KRIDAN	700,000.00	Borrowing	Within one year

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	HARESH			
2	Salary	23,131.70	Wage	Within one year
3	Plate deposit	3,075.00	Guarantee deposit	Within one year

18. Paid-up capital

Investors	Beginning of the year		Increase for current year	Decrease for current year	End of the year	
	Amount	Proportion			Amount	Proportion
TECHNOCRAFT INDUSTRIES (INDIA)	15,129,621.98	100%			15,129,621.98	100%
Total	15,129,621.98	100%			15,129,621.98	100%

(1) Original currency of the paid-up capital is 2.25 million US dollars, equivalent to 15,129,621.98 RMB.

(2) The paid-up capitals aboved have been verified by Chuzhou Heng Li Xin Certified Public Accountants Office (ChuHengYanZi[2008]NO.164; ChuHengYanZi[2008]NO.224; ChuHengYanZi[2008]NO.255; ChuHengYanZi[2008]NO.272; ChuHengYanZi[2009]NO.034; ChuHengYanZi[2009]NO.095; ChuHengYanZi[2011]NO.028; ChuHengYanZi[2011]NO.139; ChuHengYanZi[2013]NO.001; ChuHengYanZi[2013]NO.014).

19. Undistributed profit

Item	Amount	Remark
① Undistributed profit at beginning of this period	-1,488,003.18	
Plus: net profit for the current year	750,626.08	
prior year income adjustment	-245,989.75	
② Profit available for distribution	-983,366.85	
minus: withdrawal reserve fund		
Withdrawal reserve for		

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business expansion		
Withdrawal reserve for bonus and welfare fund for staff and workers		
③ Undistributed profit at the end of this period	-983,366.85	

20. Operation revenues and costs

Item	Accrual amount in last year		Accrual amount in this year	
	Income	Cost	Income	Cost
Main business	81,354,161.58	74,372,292.11	88,303,210.89	80,501,669.93
Include: export product	66,698,625.26	60,313,627.26	73,779,368.71	67,159,934.69
Sale in domestic market	14,655,536.32	14,058,664.85	14,523,842.18	13,341,735.24
Other business	997,949.24	46,611.66	1,439,758.13	85,921.08
Include: raw material	44,792.99	46,611.66	85,518.72	85,921.08
Scraps	952,301.55		1,354,239.41	
Others	854.70			
Total	82,352,110.82	74,418,903.77	89,742,969.02	80,587,591.01

21. Tax and extra charges of main business

No.	Item	Accrual amount in last year	Accrual amount in this year
1	Urban construction tax	3,693.68	3,104.27
2	Extra charges of education funds	2,216.21	1,862.56
3	Local extra charges of education funds	1,477.47	1,241.71
	Total	7,387.36	6,208.54

22. Selling expenses in last year is 2,122,810.92 RMB, while the amount in this year is

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NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2014

2,662,418.73 RMB in total.

No.	Item	Accrual amount in last year	Accrual amount in this year
1	Transportation expenses	1,636,070.82	2,355,287.27
2	Quality indemnity	402,119.66	
3	Wage		144,998.44

23. Administration expenses in last year is 2,823,637.30RMB, while the amount in this year is 4,020,998.46 RMB in total.

No.	Item	Accrual amount in last year	Accrual amount in this year
1	Wage & welfare	1,708,441.19	2,358,285.28
2	Labor insurance	66,285.70	74,174.16
3	Entertainment expense	144,706.92	177,869.54
4	Travel expense	271,532.10	176,226.78
5	Office expenses	35,387.50	64,454.76
6	Communication expense	124,669.64	122,512.96
7	Tax	334,587.54	388,691.65
8	Depreciation cost	82,521.91	88,005.05
9	Amortization of intangible assets	48,912.00	48,912.00
10	Vehicle expense	73,514.88	123,405.11

24. Financial expense

No.	Item	Accrual amount in last year	Accrual amount in this year
1	Interest income	-6,136.40	6,116.39
2	Interest expense	2,487,987.03	2,782,547.20
3	Commission charge	104,259.67	129,467.54
4	Profit or loss on exchange	159,763.54	-142,749.84
	Total	2,745,873.84	2,763,148.51

25. Non-operating income & non-operating expenditure

	Item	Accrual amount in last year	Accrual amount in this year
①	Non-operating income		
a	Governmental subsidy	135,000.00	58,370.00
b	Penalty income		16,115.97
c	No pay accounts receivable and accounts payable		1,106,099.39
	Total	135,000.00	1,180,585.36
②	Non-operating expenditure		
a	Penalty outlay	9,800.00	4,350.00
b	Overdue fine	14.79	163.01
c	Indemnity		85,000.00
d	Loss on disposal of fixed assets		18,961.48
e	Other expenditure		24,088.56
	Total	9,814.79	132,563.05

VI. Cash Flows

1. Adjust net profit to operating cash flow in an indirect method:

Item	Last year	This year
①Reconciliation of net profit/(loss) to cash flows from operating activities:		
Net profit	358,682.84	750,626.08
Minus: loss on unconfirmed investment		
Plus: Impairment provision for assets		
Depreciation of fixed assets, oil & gas asset depletion, depreciation of productive biological assets	1,639,475.91	1,802,502.38
Amortization of intangible assets	48,912.00	48,912.00
Amortization of long-term prepaid expenses	14,711.09	58,844.40

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Decrease in deferred expenses (deduct: increase)		
Increase in accrued expenses (deduct: decrease)		
Loss on disposal of fixed assets, intangible assets and others (deduct: gains)		18,961.48
Losses on disposal of fixed assets (minus sign representing gains)		
Losses on the changes in fair value (minus sign representing gains)		
Financial expenses (minus sign representing gains)	2,292,051.48	2,815,034.20
Losses arising from investments (minus sign representing gains)		
Decrease of deferred income tax assets (minus sign representing increase)		
Increase of deferred income tax liabilities (minus sign representing decrease)		
Decrease in inventories (minus sign representing increase)	-1,012,189.92	-3,469,681.91
Decrease in operating receivables (minus sign representing increase)	-3,388,548.33	12,841,580.87
Increase in operating payables (minus sign representing decrease)	-369,817.16	-11,111,081.07
Others	-14,843.06	273,021.53
Net cash flows from operating activities	-431,565.15	4,028,719.96
② Important investing and financing activities that irrelevant with cash receipts and payment		
Conversion of debt into capital		
Reclassification of convertible bonds expiring within one year as current liability		
Financial leasing of fixed assets		

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③ Change on Cash and Cash Equivalents:		
Closing balance of cash	3,015,808.39	1,588,115.73
Minus: Opening balance of cash	3,068,571.56	3,015,808.39
Add: Closing balance of cash equivalents		
Minus: Opening balance of cash equivalents		
Net increase of cash and cash equivalents	-52,763.17	-1,427,692.66

VII. Related party & related-party transaction

1. Related party

Name of related company	Relationship
TECHNOCRAFT INDUSTRIES (INDIA)	Parent company

2. Related-party transaction

The transactions between related-party in 2014 are as follows:

(1) Purchase

Name	Last year	This year
TECHNOCRAFT INDUSTRIES (INDIA)	7,994,189.26	5,173,766.67
Total	7,994,189.26	5,173,766.67

(2) Sales

Name	Last year	This year
TECHNOCRAFT INDUSTRIES (INDIA)	2,990,075.85	510,940.52
Total	2,990,075.85	510,940.52

(3) Contacts

Item	Beginning balance	Ending balance
① Short-term borrowing		
TECHNOCRAFT INDUSTRIES (INDIA)	8,962,443.00	8,994,930.00
② Accounts payable		
TECHNOCRAFT INDUSTRIES (INDIA)	3,034,320.03	1,267,536.46
③ Advances from customers		
TECHNOCRAFT INDUSTRIES (INDIA)	10,893,253.08	
④ Interest payable		

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2014

TECHNOCRAFT INDUSTRIES (INDIA)	277,727.81	757,848.24
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VIII. Commitment

None.

IX. Contingencies

None.

X. Subsequent events

None.

XI. Additional statement

In this period, no provision for bad-debt, inventory falling price, fixed assets depreciation or long-term equity investment depreciation.

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD

March 20, 2015



Technosoft Engineering, Inc.

Technosoft Engineering, Inc.

Balance Sheet

(USD)

	Dec 31, 14	Dec 31, 13
ASSETS		
Current Assets		
Checking/Savings		
Cash	75,449	195,726
Total Checking/Savings	75,449	195,726
Accounts Receivable		
Accounts Receivable-Trade	653,512	569,717
Total Accounts Receivable	653,512	569,717
Other Current Assets		
Undeposited Funds	-2,661	0
Other Receivables	203,166	34,644
Prepaid Exp	136,829	22,756
Total Other Current Assets	337,334	57,400
Total Current Assets	1,066,295	822,843
Fixed Assets		
Fixed Assets	371,281	365,875
Accum. Depr.	-358,141	-352,435
Total Fixed Assets	13,140	13,440
Other Assets		
Investment in JV	255,657	-8,614
Total Other Assets	255,657	-8,614
TOTAL ASSETS	1,335,092	827,669
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable-Trade	120,321	40,570
Total Accounts Payable	120,321	40,570
Other Current Liabilities		
Intercompany Payable	0	-103,642
Accrued Expenses	79,969	5,727
Accrued Payroll	107,646	144,077
Line of Credit	444,000	360,000
Deferred Revenue	17,799	19,974
Total Other Current Liabilities	649,414	426,136
Total Current Liabilities	769,735	466,706

Technosoft Engineering, Inc.

Balance Sheet

(USD)

	Dec 31, 14	Dec 31, 13
Total Liabilities	769,735	466,706
Equity		
Capital Stock	130,000	130,000
Treasury Stock	-420,705	-420,705
Retained Earnings	651,668	630,812
Net Income	204,393	20,855
Total Equity	565,356	360,962
TOTAL LIABILITIES & EQUITY	1,335,091	827,668

Technosoft Engineering, Inc. Profit Loss Account

(USD)

	Dec 31' 14	Dec 31, 13
Ordinary Income/Expense		
Income		
Project Revenue	1,028,985	1,002,000
On-Site Revenue	3,979,314	4,071,070
Perm Placement Revenue	110,472	127,024
Reimb Revenue	2,186	24,281
Total Income	5,120,957	5,224,375
Cost of Goods Sold		
Labor-Direct	2,458,160	2,298,015
Labor-PTO & Misc Unbilled	56,855	62,069
P/R Taxes-FICA	182,548	174,260
P/R Taxes-Unemployment	34,587	65,782
Insurance-Health & Life	78,460	65,465
Insurance-LTD & STD	4,267	3,750
Dental/Eye Expense	565	244
401K Employer Contribution	541	1,512
Travel -Job Related	1,817	34,649
Meals/Entertainment Expense	1,749	1,306
Visa Expenses	87,709	119,247
Annual Visit Expenses	0	1,394
Travel - Indirect	256,005	555,558
Software Maintenance	6,451	7,546
Depreciation	2,760	1,412
Sales Commissions	113,722	142,247
AM Incentive	3,621	0
Subcontractor Expense	91,690	5,646
Direct Shipping	34	301
Technosoft Outsource	998,907	738,920
Total COGS	4,380,448	4,279,323
Gross Profit	740,509	945,052
Expense		
Sales Expenses		
Salaries	298,784	242,592
Sales commissions	0	2,669
P/R Taxes-FICA	31,188	28,714
P/R Taxes-Unemployment	5,085	5,267
Insurance-Health & Life	23,198	18,962
Insurance-LTD & STD	1,615	1,110
Dental/Eye Expense	788	225
401K Employer Contribution	2,025	2,598
Travel	38,827	27,398
Meals & Entertainment	7,082	4,201
Letterhead/Business Cards	202	237
Convention/Trade Shows	1,255	11,557

Technosoft Engineering, Inc.

Profit Loss Account

(USD)

	Dec 31' 14	Dec 31, 13
Conventions/Shows Meals&Enter	340	0
Sales Cloud Software Expense	16,056	0
Total Sales Expenses	426,445	345,530
Recruiting Exp		
Recruiting & Employment Costs	78,861	26,305
Total Recruiting Exp	78,861	26,305
Admin Exp		
Salaries	49,007	51,784
P/R Taxes-FICA	3,637	3,900
P/R Taxes-Unemployment	1,228	1,527
Insurance-Health & Life	6,776	6,627
Insurance-LTD & STD	200	429
Dental/Eye Expense	300	300
401K Employer Contribution	316	203
Travel	31,247	25,670
Meals & Entertainment	1,779	977
401K Admin Charges	1,950	1,200
Payroll Processing Charges	6,898	6,432
Seminars/Training	400	0
Employee Specialty Expense	251	175
Dues & Subscriptions	0	134
Meeting Expense	1,394	0
Professional Fees	38,524	106,079
State Filing fees	649	0
Bank Charges	4,905	5,021
Penalties	246	75
Personal Property Tax Expense	163	194
Office Supplies	9,495	3,963
Leases-Office Equipment	2,162	1,990
Maintenance-Off. Equip- S/W	922	721
Postage	2,183	3,030
IT Infrastructure	7,662	13,545
Depreciation	2,946	6,348
Building Rent-Milwaukee	35,540	36,600
Office Cleaning/Maintenance	3,760	2,640
Gas/Electric	6,101	7,681
Telephone-Basic	8,705	6,231
Telephone-Cellular	7,604	10,748
Internet Charges	4,549	3,215
Insurance		
Property & Liability	18,703	14,834
E & O Insurance	13,128	12,932
Total Insurance	31,831	27,766
Bad Debts	10,425	3,230
Discounts	45	187
Total Admin Exp	283,800	338,622

Technosoft Engineering, Inc.
Profit Loss Account

(USD)

	Dec 31' 14	Dec 31, 13
Management Expenses		
Consulting Contracts	120,000	6,000
Management Expenses - Other	57,788	198,873
Total Management Expenses	177,788	204,873
Total Expense	966,894	915,330
Net Ordinary Income	-226,385	29,722
Other Income/Expense		
Other Income		994
Income/(Loss) JV	439,271	0
Total Other Income	439,271	994
Other Expense		5,904
Interest Expense	8,477	0
Total Other Expense	8,477	5,904
Net Other Income	430,794	-4,910
Net Income	204,409	24,812

Swift Engineering, Inc.

Swift Engineering Inc.**Financial Statements As At 31st March 2015**

		Note No.	Amount (CAD)
I	<u>Equity & Liabilities:-</u>		
1	Shareholders Funds		
	Share Capital	1	100.00
	Reserves & Surplus	2	1,246,829.81
			1,246,929.81
2	Current Liabilities		
	Short Term Borrowings	3	597,643.83
	Trade Payables	4	395,931.05
	Other Current Liabilities	5	94,707.73
			1,088,282.61
			2,335,212.42
II	<u>Assets:-</u>		
1	Non-CurrentAssets		
	Fixed Assets	6	29,801.02
			29,801.02
	Non-current Investment	7	1,044.50
	Long Term Loans & Advances	8	420,000.00
			421,044.50
2	CurrentAssets		
	Trade Receivables	9	1,707,369.45
	Cash & Cash Equivalent	10	23,034.45
	Short Term Loans & Advances	11	400.00
	Other Current Assets	12	153,563.00
			1,884,366.90
			2,335,212.42

Swift Engineering Inc.

Statement of Profit & Loss Account for the Year Ended 31st March 2015

Particulars	Note No.	Amount (CAD)
<u>Revenue</u>		
Revenue From Operations	13	5,389,447.72
Other Income	14	212,631.32
Total Revenue		5,602,079.04
<u>Expenses</u>		
Engineering , Design & Software Expenses	15	869,435.65
Employees Benefits Expenses	16	2,755,617.18
Finance Cost	17	31,522.48
Depreciation		18,261.19
Other Expenses	18	1,670,822.70
Total Expenses		5,345,659.20
Profit Before Taxation		256,419.84
Tax Expenses		-
Profit After Taxation		256,419.84

Swift Engineering Inc

Notes to the Financial Statements for the Year Ended 31-3-2015

Particulars	Amount
	(CAD)
<u>Note "1"</u>	
Share Capital	100.00
	100.00
<u>Note "2" : Reserves & Surplus</u>	
Surplus in Statement of Profit & Loss	
As Per Last Balance sheet	1,018,304.97
Add : Profit for the period	256,419.84
Less : Adjustment of Earlier Years	27,895.00
	1,246,829.81
<u>Note "3" : Short Term Borrowings</u>	
<u>Loans and advances</u>	
Form Bank	282,507.63
From Others	315,136.20
	597,643.83
<u>Note "4" : Trade Payables</u>	
Sundry Creditors	395,931.05
	395,931.05
<u>Note "5" : Other Current Liabilities</u>	
Liabilities For Expenses	79,656.06
Deposits	15,051.67
	94,707.73

Swift Engineering Inc.

Fixed asset schedule

Year end: March 31, 2015

(Amount in CAD)

Date Add'n m/dd/yy	Cost 2014	Additions 2015	Disposals 2015	Cost 2015	Proceeds On Disposal	Gain (loss) on Disposal	Accum Amort 2014	Reductions 2015	Adjusted Opening Amort	Rate	Amort 2015	Accum Amort 2015	Net Book Value 2015	Net book Value 2014	WP Ref
Global amortization options															
Reporting period set to 365 / 365 days = 100% of normal amortization. Half year amortization is calculated on all additions.															
Office Furniture & Equipment Rate method: Declining balance Rate unit: % Group rate: 20 % Group pro-rate: 12/12 months Half normal amortization for additions: Yes															
Photocopier - Canon IR2200	3,250.00	-	-	3,250.00	-	-	2,791.50	-	2,791.50	20	91.70	2,883.20	366.80	458.50	
14 workstations - per list att.	3,300.00	-	-	3,300.00	-	-	2,728.68	-	2,728.68	20	114.26	2,842.94	457.06	571.32	
Various additions - 2006/07	3,465.09	-	-	3,465.09	-	-	2,715.21	-	2,715.21	20	149.98	2,865.19	599.90	749.88	
6 office chairs	2,219.55	-	-	2,219.55	-	-	1,739.21	-	1,739.21	20	96.07	1,835.28	384.27	480.34	
4 channel DVR	409.51	-	-	409.51	-	-	271.04	-	271.04	20	27.69	298.73	110.78	138.47	
2010 additions	4,262.60	-	-	4,262.60	-	-	2,460.91	-	2,460.91	20	360.34	2,821.25	1,441.35	1,801.69	
2011 additions	14,036.95	-	-	14,036.95	-	-	6,620.65	-	6,620.65	20	1,483.26	8,103.91	5,933.04	7,416.30	
2013 additions	994.00	-	-	994.00	-	-	231.70	-	231.70	20	152.46	384.16	609.84	762.30	
subtotal	\$ 31,937.70	\$ -	\$ -	\$ 31,937.70	\$ -	\$ -	\$ 19,558.90	\$ -	\$ 19,558.90		\$ 2,475.76	\$ 22,034.66	\$ 9,903.04	\$ 12,378.80	
Computer Hardware Rate method: Declining balance Rate unit: % Group rate: - % Group pro-rate: 12/12 months Half normal amortization for additions: Yes															
Dell computers and fax	3,829.00	-	-	3,829.00	-	-	3,785.53	-	3,785.53	35	15.21	3,800.74	28.26	43.47	
Server	2,785.00	-	-	2,785.00	-	-	2,753.38	-	2,753.38	35	11.07	2,764.45	20.55	31.62	
2 - computer systems	3,557.00	-	-	3,557.00	-	-	3,516.62	-	3,516.62	35	14.13	3,530.75	26.25	40.38	
3 - computer systems	4,897.00	-	-	4,897.00	-	-	4,841.41	-	4,841.41	35	19.46	4,860.87	36.13	55.59	
2 - computers - per list att	1,892.95	-	-	1,892.95	-	-	1,855.69	-	1,855.69	35	13.04	1,868.73	24.22	37.26	
Best Buy - Printer	2/02/07 1,304.99	-	-	1,304.99	-	-	1,258.29	-	1,258.29	35	16.35	1,274.64	30.35	46.70	
Computers	2/28/07 3,536.52	-	-	3,536.52	-	-	3,409.95	-	3,409.95	35	44.30	3,454.25	82.27	126.57	
2 - Computers	3/31/07 2,253.52	-	-	2,253.52	-	-	2,237.12	-	2,237.12	50	8.20	2,245.32	8.20	16.40	
3 - Computers	6/18/07 6,351.62	-	-	6,351.62	-	-	6,322.08	-	6,322.08	55	16.25	6,338.33	13.29	29.54	
PC & Firewall	7/10/07 1,935.90	-	-	1,935.90	-	-	1,926.90	-	1,926.90	55	4.95	1,931.85	4.05	9.00	
Dell Computer	6,005.00	-	-	6,005.00	-	-	5,867.10	-	5,867.10	55	75.84	5,942.94	62.06	137.90	
Dell computer	10,637.14	-	-	10,637.14	-	-	10,637.14	-	10,637.14	100	-	10,637.14	-	-	
Printer	2,825.00	-	-	2,825.00	-	-	2,825.00	-	2,825.00	100	-	2,825.00	-	-	
Laptop	11/28/10 1,630.78	-	-	1,630.78	-	-	1,630.78	-	1,630.78	100	-	1,630.78	-	-	
Dell	1/28/11 679.00	-	-	679.00	-	-	679.00	-	679.00	100	-	679.00	-	-	
Various other additions	13,416.82	-	-	13,416.82	-	-	11,895.25	-	11,895.25	55	836.86	12,732.11	684.71	1,521.57	
additions 2012	5,994.03	-	-	5,994.03	-	-	4,483.43	-	4,483.43	55	830.83	5,314.26	679.77	1,510.60	
additions 2013	2,180.10	-	-	2,180.10	-	-	1,310.66	-	1,310.66	55	478.19	1,788.85	391.25	869.44	
additions 2015	-	7,622.78	-	7,622.78	-	-	-	-	-	55	2,096.26	2,096.26	5,526.52	-	
subtotal	\$ 75,711.37	\$ 7,622.78	\$ -	\$ 83,334.15	\$ -	\$ -	\$ 71,235.33	\$ -	\$ 71,235.33		\$ 4,480.94	\$ 75,716.27	\$ 7,617.88	\$ 4,476.04	
Computer software Rate method: Declining balance Rate unit: % Group rate: 100 % Group pro-rate: 12/12 months Half normal amortization for additions: No															
Autocad	3/27/07 5,019.00	-	-	5,019.00	-	-	5,019.00	-	5,019.00	100	-	5,019.00	-	-	
Microsoft	399.00	-	-	399.00	-	-	399.00	-	399.00	100	-	399.00	-	-	
Various additions 2010	22,517.00	-	-	22,517.00	-	-	22,517.00	-	22,517.00	100	-	22,517.00	-	-	
Additions 2011	3,273.39	-	-	3,273.39	-	-	3,273.39	-	3,273.39	100	-	3,273.39	-	-	
additions 2012	13,500.52	-	-	13,500.52	-	-	13,500.52	-	13,500.52	100	-	13,500.52	-	-	
2013 additions	737.85	-	-	737.85	-	-	737.85	-	737.85	100	-	737.85	-	-	
subtotal	\$ 45,446.76	\$ -	\$ -	\$ 45,446.76	\$ -	\$ -	\$ 45,446.76	\$ -	\$ 45,446.76		\$ -	\$ 45,446.76	\$ -	\$ -	

Swift Engineering Inc.

Fixed asset schedule

Year end: March 31, 2015

Date Add'n m/dd/yy	Cost 2014	Additions 2015	Disposals 2015	Cost 2015	Proceeds On Disposal	Gain (loss) on Disposal	Accum Amort 2014	Reductions 2015	Adjusted Opening Amort	Rate	Amort 2015	Accum Amort 2015	Net Book Value 2015	Net book Value 2014	WP Ref
Leasehold improvements Rate method: Straight line Rate unit: % Group rate: 20 % Group pro-rate: 12/12 months Half normal amortization for additions: Yes															
2011 additions - new premises	56,522.47	-	-	56,522.47	-	-	32,937.88	-	32,937.88	20	11,304.49	44,242.37	12,280.10	23,584.59	
subtotal	\$ 56,522.47	\$ -	\$ -	\$ 56,522.47	\$ -	\$ -	\$ 32,937.88	\$ -	\$ 32,937.88		\$ 11,304.49	\$ 44,242.37	\$ 12,280.10	\$ 23,584.59	
GRAND TOTALS	\$ 209,618.30	\$ 7,622.78	\$ -	\$ 217,241.08	\$ -	\$ -	\$ 169,178.87	\$ -	\$ 169,178.87		\$ 18,261.19	\$ 187,440.06	\$ 29,801.02	\$ 40,439.43	

Particulars	Amount
	(CAD)
<u>Note "7" : Non Current Investments</u>	
<u>Investment in Equity Shares of Subsidiaries - (Unquoted - Trade)</u>	
Shares of Swift Projects Inc.	1,044.50
	1,044.50
Book Value of Unquoted Investment	1,044.50
<u>Note-8</u>	
<u>Long Term Loans & Advances</u>	
Long Term Loans	420,000.00
	420,000.00
<u>Note "9" : Trade Receivables</u>	
<u>(Unsecured, Considered Good by the Management)</u>	
Outstanding For Over Six Months	397,000.00
Other Debts	1,310,369.45
	1,707,369.45
<u>Note "10" : Cash & Cash Equivalent</u>	
<u>Balances With Scheduled Banks</u>	
In Current Account	23,034.45
	23,034.45
<u>Note "11": Short Term Loans & Advances</u>	
<u>Unsecured, Considered good by Management</u>	
Staff Advances	400.00
	400.00
<u>Note "12": Other Current Assets</u>	
Prepaid Expenses	123,915.15
GST/ HST Receivable	5,760.92
Advance Tax	23,886.93
Less: Provision for Income Tax	-
	23,886.93
	153,563.00

Particulars	Amount
	(CAD)
<u>Note "13" : Revenue From Operations</u>	
<u>Sale of Services</u>	
Export (Net)	5,272,542.03
Local	116,905.69
	5,389,447.72
<u>Note "14" : Other Income</u>	
Interest Income	67.18
Rent Received	197,740.52
Other Non-Operating Income	300.00
Diff in Foreign Currency(net)	14,523.62
	212,631.32
<u>Note "15" : Engineering, & Design Charges</u>	
Engineering & Design Charges Paid	869,435.65
	869,435.65
<u>Note "16" : Employment Benefit Expenses</u>	
Salary & Wages & Contribution to Fund etc	2,674,647.54
Staff/Workers Welfare	80,969.64
	2,755,617.18
<u>Note "17" : Finance Cost</u>	
<u>Interest expenses</u>	
Interest To Bank	25,498.06
<u>Other charges</u>	
Bank Charges	6,024.42
	31,522.48
<u>Note "18" : Other Expenses</u>	
Management Fees	428,133.73
Legal & Professional Expenses	61,285.23
Sales Promotion	82,672.39
Travelling Expenses	91,512.44
Postage Telegram & Telephone Expenses.	21,245.18
Printing & Stationery	24,567.92
Rent Rates & Taxes	583,446.91
Insurance (General)	48,979.23
Licence and Membership Fees	30,253.74
Other Repairs & Maintenance	10,334.27
Computer Expenses	106,315.36
Miscellaneous Expenses	1,686.99
Bad debts	180,389.31
	1,670,822.70

Highmark International Trading FZE

HIGHMARK INTERNATIONAL TRADING F.Z.E

FINANCIAL STATEMENTS

PERIOD ENDED

31 MARCH 2015

Registered office:

SM-Office-F1-106C
Ajman Free Zone, United Arab Emirates

HIGHMARK INTERNATIONAL TRADING F.Z.E

FINANCIAL STATEMENTS FOR THE PERIOD FROM 22 SEPTEMBER 2014 TO 31 MARCH 2015

I N D E X

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INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF COMPREHENSIVE INCOME	3
STATEMENT OF CHANGES IN EQUITY	4
STATEMENT OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS	6 TO 12

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER
OF HIGHMARK INTERNATIONAL TRADING F.Z.E**

Report on the Financial Statements

We have audited the accompanying financial statements of HIGHMARK INTERNATIONAL TRADING F.Z.E, Ajman, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information set out on pages 2 to 12.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of 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 financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 establishment'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 establishment's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of HIGHMARK INTERNATIONAL TRADING F.Z.E, Ajman, as of 31 March 2015, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we would like to draw the attention to the note 3 to the financial statements which states that Apartment is registered in the name of directors and is held in trust for and on behalf of the establishment.

Signed by
Lokesh V. Puthran
Registration No. 138
Dubai, United Arab Emirates
20 August 2015

HIGHMARK INTERNATIONAL TRADING F.Z.ESTATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015(IN U.A.E. DIRHAMS)

	<u>NOTES</u>	<u>31.03.2015</u>
<u>NON-CURRENT ASSETS</u>		
Investment properties	3	<u>4,468,279</u>
<u>CURRENT ASSETS</u>		
Trade & other receivables	4	748,302
Cash & cash equivalents	5	176,928

		925,230

<u>LESS: CURRENT LIABILITIES</u>		
Trade & other payables	6	(802,981)
Due to a related party	7	(3,648,016)

		(4,450,997)

<u>NET CURRENT LIABILITIES</u>		(3,525,767)

		942,512
		=====
<u>REPRESENTED BY</u>		
Share capital	8	200,000
Retained earnings		742,512

Equity funds		942,512
		=====

Annexed schedule of notes form an integral part of these financial statements.
The report of the independent auditor is set forth on page 1.
Approved by the directors on 20 August 2015.

FOR HIGHMARK INTERNATIONAL TRADING F.Z.E

DIRECTORS

HIGHMARK INTERNATIONAL TRADING F.Z.ESTATEMENT OF COMPREHENSIVE INCOMEFOR THE PERIOD FROM 22 SEPTEMBER 2014 TO 31 MARCH 2015(IN U.A.E. DIRHAMS)

	<u>NOTES</u>	<u>31.03.2015</u> <u>(6 months)</u>
REVENUE		756,263
Less: Cost of sales	9	(749,691)
GROSS PROFIT		----- 6,572
Other operating income	10	904,567
Depreciation of investment properties		(143,261)
Other operating expenses	11	(25,366)
PROFIT FROM OPERATING ACTIVITIES		----- 742,512
PROFIT FOR THE PERIOD		----- 742,512 =====
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		----- 742,512 =====

Annexed schedule of notes form an integral part of these financial statements.
The report of the independent auditor is set forth on page 1.

FOR HIGHMARK INTERNATIONAL TRADING F.Z.E

DIRECTORS

HIGHMARK INTERNATIONAL TRADING F.Z.ESTATEMENT OF CHANGES IN EQUITYFOR THE PERIOD FROM 22 SEPTEMBER 2014 TO 31 MARCH 2015(IN U.A.E. DIRHAMS)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Issue of share capital	200,000	--	200,000
Total comprehensive income for the period	--	742,512	742,512
As at 31.03.2015	----- 200,000 =====	----- 742,512 =====	----- 942,512 =====

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FOR HIGHMARK INTERNATIONAL TRADING F.Z.E

DIRECTORS

HIGHMARK INTERNATIONAL TRADING F.Z.ESTATEMENT OF CASH FLOWSFOR THE PERIOD FROM 22 SEPTEMBER 2014 TO 31 MARCH 2015(IN U.A.E. DIRHAMS)

	<u>NOTES</u>	<u>31.03.2015</u> <u>(6 months)</u>
Cash flows from operating activities		
Profit for the period		742,512
Adjustments for :		
Depreciation of investment properties		143,261

Operating profit before changes in operating assets and liabilities:		885,773
(Increase) in trade & other receivables		(748,302)
Increase in trade & other payables		802,981
Increase in due to a related party		3,648,016

Cash generated from operations		4,588,468

Net cash from operating activities	(A)	4,588,468

Cash flows from investing activities		
Purchase of investment properties		(4,611,540)

Net cash (used in) investing activities	(B)	(4,611,540)

Cash flows from financing activities		
Issue of share capital		200,000

Net cash from financing activities	(C)	200,000

Net increase in cash & cash equivalents	(A+B+C)	176,928

Cash & cash equivalents at end of the period	5	176,928
		=====

Annexed schedule of notes form an integral part of these financial statements.
The report of the independent auditor is set forth on page 1.

FOR HIGHMARK INTERNATIONAL TRADING F.Z.E

DIRECTORS

HIGHMARK INTERNATIONAL TRADING F.Z.ENOTES TO THE FINANCIAL STATEMENTSFOR THE PERIOD FROM 22 SEPTEMBER 2014 TO 31 MARCH 2015(IN U.A.E. DIRHAMS)1.0 LEGAL STATUS AND BUSINESS ACTIVITIES1.1 LEGAL STATUS

i) HIGHMARK INTERNATIONAL TRADING F.Z.E is a Free Zone Establishment, incorporated in the Ajman Free Zone, and regulated by the Free Zone Authority, in accordance to the Amiri Decree No. 3 of 1988 as amended by the Amiri Decree No.3 of 1996. The establishment is incorporated on 22 September 2014.

ii) The Shareholder of the Free Zone Establishment is as under:-

Share in Share Capital

M/s. Technocraft International Limited, United Kingdom (Represented by Mr. Ashish Kumar Saraf and Mr. Navneet Kumar Saraf)	100%
---	------

1.2 BUSINESS ACTIVITIES

The establishment is engaged in general trading, import and export of textile, construction items, light engineering products, engineering design services etc.

2.0 PRINCIPAL ACCOUNTING POLICIES2.1 ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations, issued or adopted by the International Accounting Standards Board (IASB) and regulations of Ajman Free Zone authority.

2.2 INVESTMENT PROPERTIES

Properties held for rental or capital appreciation purposes as well as those for undetermined future use are classified as investment properties.

Investment properties are stated on cost model and is depreciated using the straight line method over their useful lives as under:

Apartment	15 years
-----------	----------

2.3 TRADE RECEIVABLES

Trade receivables are carried at anticipated realisable value. Provision is made for specific debts considered doubtful of recovery by management and also for potential doubtful debts inherent in a debtors portfolio, based on the age profile of receivables. Bad debts are written off during the period in which they are identified.

2.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash on hand, bank balances in current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

HIGHMARK INTERNATIONAL TRADING F.Z.ENOTES TO THE FINANCIAL STATEMENTSFOR THE PERIOD FROM 22 SEPTEMBER 2014 TO 31 MARCH 2015(IN U.A.E. DIRHAMS)2.5 FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities. A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument, excluding investments in subsidiaries, associates or joint ventures. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

2.6 REVENUE

Revenue represents the net amount invoiced for goods delivered during the period.

Sales are on trans-shipment basis, ie suppliers ships goods directly to the customers. Revenue is recognised when significant risk and rewards relating to the ownership of goods concerned are transferred to customers and is based on amount invoiced to customers for trans-shipments made during the period.

2.7 FOREIGN CURRENCY TRANSACTIONS

- i) Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transaction.
- ii) Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling as on the date of statement of financial position.
- iii) Gains & losses resulting from foreign currency transactions are taken to the statement of comprehensive income.

2.8 SIGNIFICANT JUDGMENT AND KEY ASSUMPTIONS

The significant judgments made in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are as follows:

i) Doubtful debts

Management regularly undertakes a review of the amounts of receivable owed to the firm either from customers or from related parties, and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates, extent of confirmations, and assessed creditworthiness of the debtor. Based on the assessment, assumptions are made as to the level of provisioning required.

HIGHMARK INTERNATIONAL TRADING F.Z.ENOTES TO THE FINANCIAL STATEMENTSFOR THE PERIOD FROM 22 SEPTEMBER 2014 TO 31 MARCH 2015(IN U.A.E. DIRHAMS)ii) Impairment

As on each date of statement of financial position, management conducts an assessment of investment properties and all financial assets to determine whether there are any indications that they may be impaired in the absence of such indications, no further action is taken, if such indications do exist, an analysis of each assets is undertaken to determine its net recoverable amount and, if this is below its carrying amount, the assets are written down to their recoverable amount.

Assessments of net recoverable amounts of investment properties and all financial assets other than receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

3. INVESTMENT PROPERTIES

<u>COST</u>	<u>Apartment</u>
Additions	4,611,540

As at 31.03.2015	4,611,540
	=====
 <u>ACCUMULATED DEPRECIATION</u>	
Depreciation for the period	143,261

	143,261
	=====
 <u>NET BOOK VALUE</u>	
As at 31.03.2015	4,468,279
	=====

Note:

The apartment is located at the Residence II T1, Burj Khalifa Dubai, UAE. It is registered in the name of the directors and is held in trust for and on behalf of the establishment.

4. TRADE & OTHER RECEIVABLES 31.03.2015

Trade receivables	748,302

	748,302
	=====

Notes:i) Trade receivable aging are as under

- Less than six months	748,302
	=====

ii) In the opinion of the management there are no impaired receivables and the establishment does not expect any losses from non-performance by overdue receivables.

HIGHMARK INTERNATIONAL TRADING F.Z.ENOTES TO THE FINANCIAL STATEMENTSFOR THE PERIOD FROM 22 SEPTEMBER 2014 TO 31 MARCH 2015(IN U.A.E. DIRHAMS)

5.	<u>CASH & CASH EQUIVALENTS</u>	<u>31.03.2015</u>
	Bank balance in current accounts	176,928

		176,928
		=====
6.	<u>TRADE & OTHER PAYABLES</u>	<u>31.03.2015</u>
	Trade payables	744,333
	Accruals	6,500
	Rent received in advance	42,148
	Other payables	10,000

		802,981
		=====

7. RELATED PARTY

The establishment enters into transactions with companies that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in normal course of business and are at prices determined by the management.

Related parties comprise companies under common ownership or common management control and directors/shareholder.

As on the date of statement of financial position balances with related parties were as follows:

	<u>31.03.2015</u>
Disclosed as due to a related party	3,648,016
	=====
Included in trade receivables	748,302

Included in trade payables	744,333
	=====

The nature of significant related party transactions and the amount involved are as follows:

	<u>31.03.2015</u>
	<u>(6 months)</u>
Sales	756,263

Purchases	749,691
	=====

Administrative and other related services are obtained from related parties, free of cost

The establishment also provides/receives interest free funds to/from related parties as and when required as working capital facilities.

HIGHMARK INTERNATIONAL TRADING F.Z.ENOTES TO THE FINANCIAL STATEMENTSFOR THE PERIOD FROM 22 SEPTEMBER 2014 TO 31 MARCH 2015(IN U.A.E. DIRHAMS)

8.	<u>SHARE CAPITAL</u>	<u>31.03.2015</u>
	Authorised, issued and paid up 100 share of AED 2,000	200,000 =====
9.	<u>COST OF SALES</u>	<u>31.03.2015</u> <u>(6 months)</u>
	Purchases (including direct expenses)	749,691 ----- 749,691 =====
10.	<u>OTHER OPERATING INCOME</u>	
	Consultancy fee income* Rental income	826,715 77,852 ----- 904,567 =====
	* This represents income received during the period for market information and other services rendered in relation to the activity of the company.	
11.	<u>OTHER OPERATING EXPENSES</u>	<u>31.03.2015</u> <u>(6 months)</u>
	Other expenses	25,366 ----- 25,366 =====
12.	<u>FINANCIAL INSTRUMENTS: RISK MANAGEMENT</u>	

The principal risks associated with financial instruments such as credit risk, market risk and liquidity risk are managed by placing cash and cash equivalents with various financial institutions of high credit rating, transacting business in AED & USD with counterparties of repute, and by monitoring on a regular basis that sufficient funds are available to meet maturing obligations.

i) Capital risk

The establishment manages its capital to ensure that it will be able to continue as a going establishment while maximising the return to shareholder through optimisation of the debt and equity balance.

The capital structure of the establishment comprises of equity funds as presented in the statement of financial position.

The establishment reviews the capital structure on a semi-annual basis, considers the cost of capital.

HIGHMARK INTERNATIONAL TRADING F.Z.ENOTES TO THE FINANCIAL STATEMENTSFOR THE PERIOD FROM 22 SEPTEMBER 2014 TO 31 MARCH 2015(IN U.A.E. DIRHAMS)ii) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, an adequate amount of credit facilities and the ability to close out market positions. Due to dynamic nature of the underlying businesses, the establishment maintains flexibility in funding by maintaining adequate availability under credit facilities.

iii) Credit risk

Financial assets which potentially expose the establishment to concentrations of credit risk comprise principally bank accounts and trade receivables.

The establishment 's bank accounts are placed with high credit quality financial institutions.

Trade receivables are stated net of the allowance for doubtful receivables.

As on the date of statement of financial position there are no significant concentration of trade receivables (excluding amount due from related parties which has been separately disclosed, refer note 6).

As on the date of statement of financial position the establishment's maximum exposure to credit risk from trade receivables (related party) situated outside U.A.E. are as follows:

	<u>31.03.2015</u>
In Australia	748,302
	=====

iv) Interest rate risk

The establishment not exposed to significant interest rate risk.

v) Exchange rate risk

There are no exchange rate risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed except for the following amounts:

	<u>31.03.2015</u>
<u>In Pound sterling</u>	<u>AED</u>
Bank current account	45,971
	=====
<u>In Australian Dollar</u>	
Trade receivables	748,302
Trade payables	744,333
	=====

HIGHMARK INTERNATIONAL TRADING F.Z.ENOTES TO THE FINANCIAL STATEMENTSFOR THE PERIOD FROM 22 SEPTEMBER 2014 TO 31 MARCH 2015(IN U.A.E. DIRHAMS)13. FINANCIAL INSTRUMENTS: FAIR VALUES

The fair value of a financial instrument is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair values of the establishment's financial assets and liabilities approximate to their carrying values.

14. CONTINGENT LIABILITIES

There were no contingent liabilities of a significant amount as on the date of statement of financial position.

15. CAPITAL COMMITMENTS

There were no capital commitments of a significant amount as on the date of statement of financial position.

16. COMPARATIVE FIGURES

This being the first period of operations (refer note 1.1(i)), there are no comparative figures.

FOR HIGHMARK INTERNATIONAL TRADING F.Z.E

DIRECTORS

Swift Projects Inc.

Swift Projects Inc

Financial Statements as on 31-3-2015

Particulars		Note No.	Amount (USD)
I	<u>Equity & Liabilities:-</u>		
1	Shareholders Funds		
	Share Capital	1	1,000.00
	Reserves & Surplus	2	47,287.52
			48,287.52
3	Current Liabilities		
	Other Current Liabilities	3	23,489.74
			23,489.74
	Total		71,777.26
II	<u>Assets:-</u>		
2	Current Assets		
	Trade Receivables	4	14,856.81
	Cash & Cash Equivalent	5	56,920.45
			71,777.26
	Total		71,777.26

Swift Projects Inc.

Statement of Profit & Loss Account for the Year Ended 31-3-2015

Particulars	No.	Amount
		(USD)
<u>Revenue</u>		
Revenue From Operations	6	313,012.76
Total Revenue		313,012.76
<u>Expenses</u>		
Employees Benefits Expenses	7	227,438.87
Finance Cost	8	331.00
Other Expenses	9	87,562.74
Total Expenses		315,332.61
Profit Before Taxation		(2,319.85)
Tax Expenses		
Profit After Taxation		(2,319.85)

Swift Projects Inc

Notes To Financial Statements For The Period Ended 31st March 2015

Particulars	Amount (USD)
<u>Note "1" : Share Capital</u>	
Share Capital	1,000.00
	1,000.00
<u>Note "2" : Reserves & Surplus</u>	
Surplus in Statement of Profit & Loss	
As Per Last Balance sheet	50,360.39
Add : Profit / (Loss) for the period	(2,319.85)
Less :Adjustment of Earlier Years	753.02
	47,287.52
<u>Note "3" : Other Current Liabilities</u>	
Other Liabilities For Expenses	16,976.34
Statutory Dues to the Govt Department	6,513.40
	23,489.74
<u>Note "4" : Trade Receivables</u>	
<u>(Unsecured, Considered Good by the Management)</u>	
Outstanding For Over Six Months	-
Other Debts	14,856.81
	14,856.81
<u>Note "5" : Cash & Cash Equivalent</u>	
Cash On Hand	56,920.45
	56,920.45
<u>Note "6" : Revenue From Operations</u>	
<u>Sale of Services</u>	
Export (Net)	222,018.76
Local	90,994.00
	313,012.76
<u>Note "7" : Employment Benefit Expenses</u>	
Salary & Wages (net)	170,544.87
Contribution to provident and other funds	56,894.00
	227,438.87
<u>Note "8" : Finance Cost</u>	
<u>Interest expenses</u>	
Interest To Bank	-
<u>Other borrowing costs</u>	
Bank Charges	331.00
	331.00
<u>Note "9" : Other Expenses</u>	
Legal & Professional Expenses	17,320.00
Travelling Expenses	52,367.74
Rent Rates & Taxes	15,600.00
Licence and Membership Fees	2,275.00
	87,562.74