

**ASSURENE PRODUCTS CORPORATION  
BALANCE SHEET**

(Amount in USD)

Particulars	Note	As At	
		31 MARCH 2016	31 MARCH 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share capital	2	5,000	5,000
Reserves and surplus	3	165,541	64,116
		170,541	69,116
<b>2 Current Liabilities</b>			
Trade payables	4	1,917,471	3,213,920
Other current liabilities	5	9,052	58,229
Short term provisions	6	50,849	22,921
		1,977,372	3,295,070
<b>TOTAL</b>		<b>2,147,913</b>	<b>3,364,186</b>
<b>II. ASSETS</b>			
<b>1 Current Assets</b>			
Inventories	7	885,478	1,960,655
Trade receivables	8	1,000,162	1,168,437
Cash and bank balances	9	257,077	235,094
Other Current Assets	10	5,196	-
		2,147,913	3,364,186
<b>TOTAL</b>		<b>2,147,913</b>	<b>3,364,186</b>
<b>Notes to Financial Statements</b>	1 to 21		

As per our report of even date

**For Walker Chandiok & Co LLP**  
(formerly Walker, Chandiok & Co)  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**For and on behalf of the Board of Directors**

**Sudhir N. Pillai**  
Partner  
Membership No: 105782

**Suman Begani**  
Director

**Pramod Jaiswal**  
Director

**Place :** Mumbai  
**Date :**

**Place :** New York  
**Date :**

**Place :** New York  
**Date :**

**ASSURENE PRODUCTS CORPORATION**  
**STATEMENT OF PROFIT AND LOSS**

(Amount in USD)

Particulars	Note	For the Year Ended 31 MARCH 2016	For the Period Ended 31 MARCH 2015
<b>I. Revenue:</b>			
Revenue from operations	11	15,077,129	14,429,063
Other Income	12	17,683	-
<b>Total revenue</b>		<b>15,094,812</b>	<b>14,429,063</b>
<b>II. Expenses:</b>			
Purchase of traded goods	13	12,994,919	15,395,727
Changes in inventories of traded goods	14	1,075,177	(1,960,655)
Employee benefits expenses	15	783,684	854,572
Other expenses	16	88,758	52,382
<b>Total expenses</b>		<b>14,942,538</b>	<b>14,342,026</b>
<b>III. Profit before tax (I-II)</b>		<b>152,274</b>	<b>87,037</b>
<b>IV. Tax expense:</b>			
(i) Federal tax		37,388	15,227
(ii) State tax		13,461	7,694
		50,849	22,921
<b>VII. Net profit (III-IV)</b>		<b>101,425</b>	<b>64,116</b>
<b>VIII. Earnings per Equity Share:</b>			
Basic & Diluted	17	20.29	12.82
<b>Notes to Financial Statements</b>	1 to 21		

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**ASSURENE PRODUCTS CORPORATION**  
**CASH FLOW STATEMENT**

(Amount in USD)

Particulars	For the Year Ended 31 MARCH 2016	For the Period Ended 31 MARCH 2015
<b>Cash flows from operating activities</b>		
Profit before tax	152,274	87,037
<b>Operating profit before working capital changes</b>	152,274	87,037
Increase / (decrease) in current liabilities	(49,177)	58,229
Increase / (decrease) in trade payables	(1,296,449)	3,213,920
(Increase) / decrease in inventories	1,075,177	(1,960,655)
(Increase) / decrease in trade receivables	168,275	(1,168,437)
(Increase) / decrease in other current assets	(5,196)	-
<b>Cash generated from operating activities</b>	44,904	230,094
Income taxes paid	(22,921)	-
<b>Net cash generated from operating activities</b>	21,983	230,094
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	-	5,000
Proceeds from short term borrowings	-	55,000
Repayment of short term borrowings	-	(55,000)
<b>Net cash generated from financing activities</b>	-	5,000
<b>Net increase in cash and cash equivalents</b>	21,983	235,094
Cash and cash equivalents as at the beginning of the period	235,094	-
<b>Cash and cash equivalents as at the end of the period</b>	<b>257,077</b>	<b>235,094</b>

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**ASSURENE PRODUCTS CORPORATION**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

**Company Background**

Assurene Products Corporation (the Company) is a Delaware incorporated corporation with headquarters at California. It is a wholly-owned subsidiary of Jai Corp Limited ('Parent Company') which is governed by the laws of India. The Company is primarily engaged in trading services i.e. purchase of industrial fabric/ geo textile manufactured by its parent entity in India and selling the same to its customer in the United States of America.

**Note 1 - Significant Accounting Policies**

**Basis of Preparation of Financial Statements**

The financial statements have been prepared in conformity with the accounting principles generally accepted in India ('Indian GAAP').

**Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/ materialized.

**Inventories**

Inventories comprise of traded goods in transit for Sale. Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present condition and location.

**Revenue Recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized on delivery of goods to the customer, when significant risks and rewards of ownership have been transferred. Sales are net of returns, trade discounts and allowances. Accounts receivable are charged to bad debt expenses once they are deemed uncollectible based upon management's periodic review of the accounts.

Commission income on the sales made by third party is recognised when the risks and rewards of ownership are transferred to the ultimate customer.

**Employee Benefits**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the period in which the related service is rendered.

**Taxes on Income**

Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the tax laws in the State of California and Federal tax in United States of America.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. A deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that it will be realized in future. In the case of unabsorbed depreciation and carry forward tax losses, deferred tax asset is recognised only if there is virtual/reasonable certainty supported by convincing evidence that it can be realised against future taxable profits. The carrying amount of deferred tax assets is reviewed at each balance sheet date for their appropriateness.

Deferred tax assets and deferred tax liabilities are offset if legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

**Provisions and Contingencies**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefit 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 the 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. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

**Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**ASSURENE PRODUCTS CORPORATION**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

**Note 2 - Share Capital**

		(Amount in USD)	
Particulars		As at 31 MARCH 2016	As at 31 MARCH 2015
(a)	<b><u>Authorised Shares</u></b>		
	5,000 Equity shares of \$ 1 each fully paid up	5,000	5,000
		5,000	5,000
(b)	<b><u>Issued, Subscribed and Fully Paid Up Shares</u></b>		
	5,000 Equity shares of \$ 1 each fully paid up	5,000	5,000
		5,000	5,000

**2.1 Reconciliation of Equity Share Capital**

Particulars	As at 31 March 2016		As at 31 March 2015	
	(Number)	(Amount)	(Number)	(Amount)
Shares outstanding at the beginning of the period	5,000	5,000	-	-
Add : Issued during the period	-	-	5,000	5,000
Shares outstanding at the end of the period	5,000	5,000	5,000	5,000

**2.2 Shareholders Holding More Than 5% of the Equity Shares**

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	(Number)	(% of Holding)	(Number)	(% of Holding)
Jai Corp Limited	5,000	100%	5,000	100%

**2.3 Equity Shares Held by Holding Company**

Particulars	As at 31 March 2016		As at 31 March 2015	
	(Number)	(Amount)	(Number)	(Amount)
Jai Corp Limited	5,000	5,000	5,000	5,000

**2.4 Rights and Preferences**

In the event of liquidation of the Company, the holder of Equity Shares will be entitled to receive any of the remaining assets of the Company.

**ASSURENE PRODUCTS CORPORATION**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

**Note 3 - Reserves and Surplus**

Particulars	(Amount in USD)	
	As at 31 March 2016	As at 31 March 2015
<b>Foreign Exchange Translation Reserve</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Balance at the beginning of the year/ period	64,116	-
Add : Net profit for the year/ period	<u>101,425</u>	<u>64,116</u>
Total	<u><u>165,541</u></u>	<u><u>64,116</u></u>

**Note 4 - Trade Payables**

Particulars	(Amount in USD)	
	As at 31 March 2016	As at 31 March 2015
Payable for purchase of traded goods	1,917,471	3,213,920
Total	<u><u>1,917,471</u></u>	<u><u>3,213,920</u></u>

**Note 5 - Other Current Liabilities**

Particulars	(Amount in USD)	
	As at 31 March 2016	As at 31 March 2015
Salary, wages and allowances	-	50,029
Others payable	<u>9,052</u>	<u>8,200</u>
Total	<u><u>9,052</u></u>	<u><u>58,229</u></u>

**Note 6 - Short Term Provisions**

Particulars	(Amount in USD)	
	As at 31 March 2016	As at 31 March 2015
Provision for taxation	50,849	22,921
Total	<u><u>50,849</u></u>	<u><u>22,921</u></u>

ASSURENE PRODUCTS CORPORATION  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

Note 7 - Inventories

Particulars	(Amount in USD)	
	As at 31 March 2016	As at 31 March 2015
<b>Traded Goods (valued at lower of cost and net realisable value)</b>		
Goods-in-Transit	885,478	1,960,655
Total	<u>885,478</u>	<u>1,960,655</u>

Note 8 - Trade Receivables

Particulars	(Amount in USD)	
	As at 31 March 2016	As at 31 March 2015
<b>(Unsecured, Considered Good)</b>		
Debts due for a period exceeding six months	-	-
Other debts	<u>1,000,162</u>	<u>1,168,437</u>
Total	<u>1,000,162</u>	<u>1,168,437</u>

Note 9 - Cash and Bank Balances

Particulars	(Amount in USD)	
	As at 31 March 2016	As at 31 March 2015
<b>Cash and Cash Equivalents</b>		
Cheques on hand	66,285	-
Balances with banks in current accounts	<u>190,792</u>	<u>235,094</u>
Total	<u>257,077</u>	<u>235,094</u>

Note 10 - Other Current Assets

Particulars	(Amount in USD)	
	As at 31 March 2016	As at 31 March 2015
Other Receivables	5,196	-
<b>TOTAL</b>	<u>5,196</u>	<u>-</u>

**ASSURENE PRODUCTS CORPORATION**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

**Note 11 - Revenues from Operations**

<b>Particulars</b>	<b>(Amount in USD)</b>	
	<b>For the Year Ended 31 MARCH 2016</b>	<b>For the Period Ended 31 MARCH 2015</b>
Sale of traded goods	15,077,129	14,446,171
Less: Sales return	-	(17,108)
Revenue from Operations (Net)	<u>15,077,129</u>	<u>14,429,063</u>

**Note 12 - Other Income**

<b>Particulars</b>	<b>(Amount in USD)</b>	
	<b>For the Year Ended 31 MARCH 2016</b>	<b>For the Period Ended 31 MARCH 2015</b>
Commission Income	17,683	-
<b>TOTAL</b>	<u>17,683</u>	<u>-</u>

**Note 13 - Purchase of traded goods**

<b>Particulars</b>	<b>(Amount in USD)</b>	
	<b>For the Year Ended 31 MARCH 2016</b>	<b>For the Period Ended 31 MARCH 2015</b>
Purchase of traded goods	12,994,919	15,395,727
Total	<u>12,994,919</u>	<u>15,395,727</u>

**Note 14 - Changes in Inventories of Traded Goods**

<b>Particulars</b>	<b>(Amount in USD)</b>	
	<b>For the Year Ended 31 MARCH 2016</b>	<b>For the Period Ended 31 MARCH 2015</b>
Closing stock	<u>885,478</u>	<u>1,960,655</u>
	885,478	1,960,655
Opening stock	<u>1,960,655</u>	-
	1,960,655	-
Total	<u>1,075,177</u>	<u>(1,960,655)</u>



**ASSURENE PRODUCTS CORPORATION**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

**Note 15 - Employee Benefits Expenses**

<b>Particulars</b>	<b>(Amount in USD)</b>	
	<b>For the Year Ended 31 MARCH 2016</b>	<b>For the Period Ended 31 MARCH 2015</b>
Salary, wages and allowances	764,751	827,358
Social security, medical and other taxes	18,933	27,214
<b>Total</b>	<b>783,684</b>	<b>854,572</b>

**Note 16 - Other Expenses**

<b>Particulars</b>	<b>(Amount in USD)</b>	
	<b>For the Year Ended 31 MARCH 2016</b>	<b>For the Period Ended 31 MARCH 2015</b>
Advertisement, publicity and sales promotion expenses	6,937	1,922
Payment to Auditors for audit fees	5,300	6,500
Repairs & Maintenance - others	-	166
Legal, professional and consultancy charges	20,940	5,902
Travelling and conveyance	49,511	31,967
Other expenses	6,070	5,925
<b>Total</b>	<b>88,758</b>	<b>52,382</b>

**Note 17 - Earnings Per Share**

<b>Particulars</b>	<b>(Amount in USD)</b>	
	<b>For the Year Ended 31 MARCH 2016</b>	<b>For the Period Ended 31 MARCH 2015</b>
Net Profit for the period	101,425	64,116
Number of equity shares outstanding during the period (in number)	5,000	5,000
Basic and Diluted Earnings Per Share	20.29	12.82
Face Value per Share	1.00	1.00

**ASSURENE PRODUCTS CORPORATION**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

**Note 18 - Related Party Disclosure:**

(i) List of related parties and relationship.

(i) Holding Company: Jai Corp Limited

(ii) Key Managerial Personnel ('KMP'): Mr. Anil Gupta

(ii) Transactions during the year ended 31 March 2016 with related parties :

Nature of Transaction	(Amount in USD)		
	Holding Company	KMP	Total
Issue of equity share capital	- (5,000)	- (-)	- (5,000)
Purchase of goods	12,994,919 (1,53,95,727)	- (-)	<b>12,994,919</b> (1,53,95,727)
Remuneration to KMP	- (-)	764,751 (8,27,358)	<b>764,751</b> (8,27,358)
Commission on sales	17,683 (-)	- (-)	<b>17,683</b> (-)
Short term loan availed	- (25,000)	- (30,000)	- (55,000)
Repayment of short term loan	- (25,000)	- (30,000)	- (55,000)

(iii) Balances Outstanding as at 31 March 2016

Particulars	(Amount in USD)		
	Holding Company	KMP	Total
Salary payable	- (-)	- (50,029)	- (50,029)
Trade payable	1,917,471 (32,13,920)	-	<b>1,917,471</b> (32,13,920)
Commission receivable	5,196 (-)	- (-)	<b>5,196</b> (-)

**Note:** Figures in bracket implies previous period numbers

**ASSURENE PRODUCTS CORPORATION**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

**Note 19 - CIF Value of Imports**

<b>Particulars</b>	<b>(Amount in USD)</b>	
	<b>For the year ended 31 March 2016</b>	<b>For the period ended 31 March 2015</b>
Purchase of traded goods	12,994,919	15,395,727
	<u>12,994,919</u>	<u>15,395,727</u>

**Note 20 - Segment Reporting**

The main business of the Company is trading of industrial fabric/ geo textile. Further the Company is operating in a single geographical segment i.e. within United States of America. Accordingly, disclosures relating to primary and secondary business segments are not applicable to the Company.

**Note 21 - Previous period Comparatives**

- (i) The corresponding figures presented pertain to the period 5 March 2014 to 31 March 2015. Accordingly the corresponding figures are strictly not comparable.
- (ii) The previous period figures have been regrouped/ reclassified wherever necessary to correspond with the current year's presentation.

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