

SARBAGS PTY LTD.
BALANCE SHEET AS AT 31ST MARCH, 2016

(Amount in AUD)

Particulars	Note	As At	
		31 ST MARCH' 2016	31 ST MARCH' 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	2	-	50,000.00
Reserves and Surplus	3	610.30	672,946.46
		610.30	722,946.46
2 Non-current Liabilities			
Long-Term Borrowings		-	-
Deferred Tax Liability (Net)		-	-
		-	-
3 Current Liabilities			
Short-Term Borrowings		-	-
Trade Payables		-	-
Other Current Liabilities		-	-
Short-Term Provisions		-	-
		-	-
TOTAL		610.30	722,946.46
II. ASSETS			
1 Non-Current Assets			
Fixed Assets			
(i) Tangible Assets		-	-
(ii) Intangible Assets		-	-
(iii) Capital Work-in-progress		-	-
		-	-
Intercompany Balances		-	-
Non-Current Investments		-	-
Long-Term Loans and Advances		-	-
Other Non-Current Assets		-	-
		-	-
1 Current Assets			
Current Investments		-	-
Inventories		-	-
Trade Receivables		-	-
Cash and Bank Balances	4	610.30	722,946.46
Short-Term Loans and Advances		-	-
Other Current Assets		-	-
		610.30	722,946.46
TOTAL		610.30	722,946.46
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 10		

As per our report of even date

For and on behalf of the Board of Directors

For R K Chapawat & Co.
Chartered Accountants

Ravindra Chapawat
Partner

V. S. Pandit
Director

Place : Mumbai
Date :

SARBAGS PTY LTD.

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2016

(Amount in AUD)

Particulars	Note	For the Year Ended 31st MAR, 2016	For the Year Ended 31st MAR, 2015
I. Gross Revenue From Operations	5	-	106,977.19
Net Revenue From Operations		-	106,977.19
II. Other Income	6	167,932.74	43,973.70
III. Total Revenue (I + II)		167,932.74	150,950.88
IV. Expenses:			
Cost of Materials Consumed	7	-	92,931.64
Employee Benefits Expense	8	-	34,576.06
Depreciation and Amortization Expense		-	69,293.37
Other Expenses	9	19,419.72	40,612.59
Total Expenses		19,419.72	237,413.66
V. Profit Before Tax (III-IV)		148,513.02	(86,462.78)
VI. Tax Expense:			
(i) Reversal of Earlier Year Provisions		-	1,654.86
VII. Profit After Tax (V-VI)		148,513.02	(88,117.64)
VIII. Prior Period Items (Net)		-	-
IX. Net Profit (VII-VIII)		148,513.02	(88,117.64)
X. Earnings per Equity Share:			
Basic & Diluted (in Rs.)	10		
Face Value per Share (in Re.)			
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 10		

As per our report of even date

For and on behalf of the Board of Directors

For R K Chapawat & Co.

Chartered Accountants

Ravindra Chapawat

Partner

V. S. Pandit

Director

Place : Mumbai

Date :

SIGNIFICANT ACCOUNTING POLICIES

1.1 ORGANISATION

Sarbags PTY Ltd is a company limited by shares, incorporated and domiciled in Australia.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.3 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/materialised.

1.4 TANGIBLE FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction net of value added tax less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price, borrowing cost if capitalisation criteria are met, and directly attributable cost of bringing the asset to its working conditions for the intended use, including trial production costs, if any till commencement of commercial production.

1.5 DEPRECIATION

Depreciation is computed based on the useful life of the asset at rates provided in Schedule II to the Companies Act 2013 of India.

1.6 INTANGIBLE ASSETS

Intangible assets are stated at cost of acquisition less accumulated amortisation. Computer software is amortised over the useful life or period of five years, whichever is less.

1.7 INVESTMENTS

Current investments are carried at lower of cost and fair value, ascertained individually. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary in the opinion of the management. Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investment. All other investments are classified

1.8 VALUATION OF INVENTORIES

In general, all inventories of finished goods, work-in-progress etc., are stated at lower of cost and net realisable value. Cost of inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition.

1.9 CUSTOMS DUTY

The liability on account of customs duty is recognised in respect of imported goods lying in the bonded warehouse.

1.10 FOREIGN CURRENCY TRANSACTIONS

- i) Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing at the date of transaction.
- ii) Monetary items denominated in foreign currencies at the year-end are restated at the closing rates. In case of any items, covered by forward exchange contracts, the difference between the closing rate and rate on the date of the contract is recognized as exchange rate difference and the premium paid on forward contracts not intended for trading or speculation purpose is amortised as expense over the life of the contract.
- iii) Non-monetary items which are carried in term of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

1.10 REVENUE RECOGNITION

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations include sales of goods, services, scrap, commission, export incentives, excise duty and service-tax but excludes sales tax/ Value Added Tax and is recognised when significant risk and rewards of ownership of the goods have passed to the buyer. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Accounts receivable are charged to bad debt expenses once they are deemed uncollectible based upon management's periodic review of the accounts. Management considers all accounts receivable to be fully collectible, therefore, no allowance is considered necessary as of March 31, 2016. Revenues are net of customer returns.

1.11 SHIPPING AND HANDLING EXPENSES

Shipping handling expenses are classified under operating expenses. A portion of the expenses relating to inbound receipt of materials is classified under cost of goods sold.

1.12 EMPLOYEE BENEFITS

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

iii) Compensated absences are accounted similar to the short term employee benefits.

1.13 PROVISION FOR CURRENT AND DEFERRED TAX

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.

1.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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.

1.15 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity share holders (after deducting preference dividend and attributable tax) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

SARBAGS PTY LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2016.

Note 2 - Share Capital

(Amount in AUD)

Particulars	As at	31 st	As at
	MAR, 2016		31 st MAR, 2015
(a) <u>AUTHORISED SHARES</u>			
50000 Equity Shares of AUD 1 each fully paid up		-	50,000.00
		-	50,000.00
(b) <u>ISSUED & SUBSCRIBED SHARES</u>			
50000 Equity Shares of AUD 1 each fully paid up		-	50,000.00
		-	50,000.00
(c) <u>Paid-Up Shares</u>			
50000 Equity Shares of AUD 1 each fully paid up		-	50,000.00
		-	50,000.00

SARBAGS PTY LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

2.1 (i) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year:

Particulars	2015-16		2014-15	
	(In Nos.)	(Amount in \$)	(In Nos.)	(Amount in \$)
Shares outstanding at the beginning of the year	50000	50000	50000	50000
Shares outstanding at the end of the year	0	0	50000	50000

2.2 (i) The terms / rights attached to the Equity Shares:

The holder of equity shares of \$ 1 each is entitled to one vote per share. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the members at the annual general meeting of that year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by share holders.

Note 3 - Reserves & Surplus

(Amount in AUD)

Particulars	As at	
	31 ST MARCH, 2016	31 ST MARCH, 2015
Foreign Currency Exchange Reserves	-	58,783.00
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	614,163.46	1,381,826.55
Add : Net Profit for the year	148,513.02	(88,117.64)
Amount available for Appropriations	<u>762,676.48</u>	<u>1,293,708.92</u>
Transferred from Units	-	-
Appropriations		
Dividend on Equity Shares	762,066.17	679,545.46
Balance at the end of the year	<u>610.30</u>	<u>614,163.46</u>
TOTAL	<u><u>610.30</u></u>	<u><u>672,946.46</u></u>

Note 4 - Cash and Bank Balances

(Amount in AUD)

Particulars	As at	
	31 ST MARCH, 2016	31 ST MARCH, 2015
Cash and Cash Equivalents		
Balances with Banks in Current Accounts	<u>610.31</u>	-
TOTAL	<u><u>610.31</u></u>	<u><u>722,946.46</u></u>

SARBAGS PTY LTD.
 NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2016.
 Note 5 - Revenues from Operations

(Amount in AUD)

Particulars	For the Year ended on 31 ST MARCH, 2016	For the Year ended on 31 ST MARCH, 2015
Sale of Products		
Finished Goods	-	106,977.19
Gross Revenue from Operations	<u>-</u>	<u>106,977.19</u>

Note 6 - Other Income

(Amount in AUD)

Particulars	For the Year ended on 31 ST MARCH, 2016	For the Year ended on 31 ST MARCH, 2015
Interest Income (Gross)		
From Fixed Deposits	-	43,540.70
Net Gain on Foreign Currency Transactions and Translation	167,405.70	-
Miscellaneous Income	527.04	433.00
TOTAL	<u>167,932.74</u>	<u>43,973.70</u>

Note 7 - Cost of Raw Materials Consumed

(Amount in AUD)

Particulars	For the Year ended on 31 ST MARCH, 2016	For the Year ended on 31 ST MARCH, 2015
Opening Stock of Raw Material	-	-
Add: Purchases	-	92,931.64
	-	92,931.64
Less: Closing Stock of Raw Material	-	-
Cost of Raw Material consumed	<u>-</u>	<u>92,931.64</u>

Note 8 - Employee Benefits Expense

(Amount in AUD)

Particulars	For the Year ended on 31 ST MARCH, 2016	For the Year ended on 31 ST MARCH, 2015
Salaries, Wages and Perquisites	-	17,056.06
Contribution to Provident Fund and Other Funds	-	17,520.00
TOTAL	<u>-</u>	<u>34,576.06</u>

Note 9 - Other Expenses

(Amount in AUD)

Particulars	For the Year ended on 31 ST MARCH, 2016	For the Year ended on 31 ST MARCH, 2015
Power and Fuel	-	543.53
Payment to Auditors		
Audit Fees	-	18,003.36
Administrative and General Expenses		
Rates and Taxes	9,900.00	243.00
Travelling and Conveyance	-	1,486.63
Bank Charges	537.50	866.61
Exchange difference (Net)	-	(3,418.42)
Other Expenses	8,982.22	22,887.88
TOTAL	<u>19,419.72</u>	<u>40,612.59</u>

SARBAGS PTY LTD.**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016****Note 10 Related Party Disclosure:**

As per Accounting Standard 18 "Related party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

(I) List of related parties and relationship.

(i) Holding Co: Jai Corp Limited

(ii) Associates :

(iii) Key Managerial Personnel :

(a) Shri Dilip Shukla

(b) Shri V. S. Pandit

(II) Transactions during the year with related parties :**(Amount in AUD)****Nature of Transaction****Equity Share Capital**

Balance as at 31st March,2016

-	-	-	-	-	-
(50,000)	(-)	(-)	(-)	(-)	(50,000)

Purchase of Goods

-	-	-	-	-	-
(1,06,977)	(-)	(-)	(-)	(-)	(1,06,977)

Expenditure

(a) Directors' Remuneration and Perquisite

-	-	-	-	-	-
(34,576)	(-)	(-)	(-)	(-)	(34,576)

Figures in bracket represent previous year's amounts.

Note 10.1**Significant transactions with related parties:-**

- 1 Equity Share Capital as at 31st March, 2016 includes **AUD Nil** (Previous Year AUD 50000) of Jai Corp Limited.
- 2 Purchase of Goods includes **AUD Nil** (Previous Year AUD 63,750) from Jai Corp Limited.
- 3 Directors' Remuneration and perquisites includes **AUD Nil** (Previous Year AUD 34,576) paid to Shri Dilip Shukla.

Note 11

Company has been deregistered vide letter dated 15th March, 2016 issued by Asutralian Securities and Investmeth Commission (ASIC).

As per our report of even date

For and on behalf of the Board of Directors

For R K Chapawat & Co.
Chartered Accountants

Ravindra Chapawat
Partner

V. S. Pandit
Director

Place : Mumbai
Date :