

Dimensional Machine Works LLC
Standalone Unaudited Provisional Balance Sheet as at 31st March 2017

(Amount in USD)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
CAPITAL AND LIABILITIES			
Capital			
Partner's capital	2	3,543,694	1,532,463
Reserves and surplus	3	(1,479,626)	(276,197)
		2,064,068	1,256,266
Non-current liabilities			
Long term borrowings	4	17,296	30,664
Deferred tax liabilities (Net)	5	-	-
Other long term liabilities	6	-	4,011
		17,296	34,674
Current liabilities			
Short-term borrowings	7	134,865	154,105
Trade payable	8	1,286,031	908,514
Other current liabilities	9	750,454	63,109
Short-term provisions	10	-	12,000
		2,171,350	1,137,728
Total		4,252,714	2,428,668
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	482,891	869,615
Intangible assets		1,814,376	-
Long term loans and advances	12	-	-
		2,297,267	869,615
Current assets			
Inventories	13	780,739	836,775
Trade receivables	14	778,363	250,502
Cash and bank balances	15	114,365	456,608
Short-term loans and advances	16	281,981	15,168
		1,955,447	1,559,053
Total		4,252,714	2,428,668
Significant accounting policies	1		
Other notes	2 to 39		

Notes referred to herein above form an integral part of financial statements.

As per our report of even date

For Dimensional Machine Works

Sd/-

Pradeep Metals Limited Inc, USA
Partner

Sd/-

DM Works LLC
Partner

Dimensional Machine Works LLC**Standalone Unaudited Provisional Statement of Profit and Loss for the year ended 31st March 2017**

(Amount in USD)

Particulars	Note No.	Year ended 31st March 2017	Year ended 31st March 2016
Revenue			
Revenue from operations	17	1,582,321	3,124,327
Other income	18	690	25,705
Total revenue		1,583,011	3,150,031
Expenses			
Cost of material consumed	19	238,161	1,210,670
Changes in inventory of work-in-progress and finished goods	20	56,291	(586,775)
Manufacturing expenses	21	448,415	393,885
Employee benefit expenses	22	1,109,244	1,799,973
Finance costs	23	9,738	8,758
Depreciation and amortization expense	11	174,593	148,689
Administrative, selling and distribution expense	24	640,056	625,669
Total expenses		2,676,500	3,600,870
Net (loss) before prior period and previous year adjustments		(1,093,489)	(450,838)
Less: Prior period income (lease rentals) (Refer additional Note : 28)		121,736	-
		(971,753)	(450,838)
Add: Net loss on account of previous year (Refer additional Note : 27)		(231,676)	-
Net (loss) for the year		(1,203,429)	(450,838)
Significant accounting policies	1		
Other notes	2 to 39		

Notes referred to herein above form an integral part of financial statements.

As per our report of even date

For Dimensional Machine Works

Sd/-
Pradeep Metals Limited Inc, USA
 Partner

Sd/-
DM Works LLC
 Partner

Place: Mumbai
 Date: 13th May, 2017

Dimensional Machine Works LLC
Standalone Unaudited Provisional Cash Flow Statement for the year ended 31st March 2017

(Amount in USD)

Particulars	Note	Year ended 31st March 2017	Year ended 31st March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) before taxation and prior period item		(1,093,489)	(450,838)
Adjustments for:			
Depreciation		174,593	148,889
Provision for doubtful debts		-	-
Bad debts/ sundry balances written off		-	-
Profit on sale of assets		-	(16,000)
Interest expenses		9,738	8,758
		<u>184,331</u>	<u>141,447</u>
Operating profit before changes in assets and liabilities		<u>(909,158)</u>	<u>(309,391)</u>
Movements in working capital : [Current and Non-current]			
(Increase) / decrease in loans & advances and other current		(281,981)	10,710
(Increase) / decrease in inventories		56,036	(586,775)
(Increase) / decrease in trade receivable		(527,861)	1,338,856
Increase / (decrease) in trade payable, other current liabilities and		<u>1,048,464</u>	<u>(306,624)</u>
		<u>(614,499)</u>	<u>146,776</u>
Less: Prior period items (Refer note 3.1)		<u>(109,940)</u>	<u>40,768</u>
		<u>(504,560)</u>	<u>106,008</u>
Adjustment for:			
Direct taxes paid [including tax deducted at source]		-	-
Net cash generated / (used in) from operating activities		-	<u>146,776</u>
Less: Prior period expense (Refer note 3.1)		-	-
Net cash generated/ (used in) from operating activities...(A)		<u>(504,560)</u>	<u>106,008</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		11,575	(295,528)
Sale of fixed asset		-	16,000
Interest received		-	-
		<u>11,575</u>	<u>(279,528)</u>
Adjustment for:			
Direct taxes paid [including tax deducted at source]		-	-
Net cash generated / (used in) from investing activities...(B)		<u>11,575</u>	<u>(279,528)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term borrowing		(13,367)	30,664
Repayment of long term borrowing		-	-
Proceeds from short term borrowing		(18,852)	167,075
Equity contribution received		-	131,918
Interest paid on loans		<u>(9,738)</u>	<u>(8,758)</u>
Net cash generated / (used) from financing activities...(C)		<u>(41,958)</u>	<u>320,899</u>
Net increase in cash and cash equivalents...(A + B + C)		<u>(534,942)</u>	<u>147,380</u>
Adjustment in opening balance		<u>192,699</u>	<u>(342,243)</u>
Cash and cash equivalents at the beginning of the year	15	456,608	309,228
Cash and cash equivalents at the end of the year		<u>114,365</u>	<u>456,608</u>
		<u>(342,243)</u>	<u>147,380</u>

Note: Refer note 3.1 of the financial statements. Above cash flow statement is prepared based on unaudited figures of previous year and net cash flows under operating, investing and financing activities includes impact of prior period adjustment on account of subsequent audit for the period ended 31st March 2015.

Significant accounting policies

Other notes

1

2 to 39

Notes referred to herein above form an integral part of financial statements.

For Dimensional Machine Works

Sd/-
Pradeep Metals Limited Inc, USA

Partner

Sd/-
DM Works LLC

Partner

Place: Mumbai
Date: 13th May, 2017

Dimensional Machine Works LLC
Standalone notes on unaudited provisional financial statements for the year ended 31st March 2017

(Amount in USD)													
2	Partner's equity capital	<table><tr><th>As at 31st March 2017</th><th>As at 31st March 2016</th></tr><tr><td>DM Works LLC (Refer Note 32)</td><td>845,172</td><td>750,907</td></tr><tr><td>Pradeep Metals Limited Inc., USA (Refer Note 30)</td><td>2,698,522</td><td>781,556</td></tr><tr><td>Total</td><td>3,543,694</td><td>1,532,463</td></tr></table>	As at 31st March 2017	As at 31st March 2016	DM Works LLC (Refer Note 32)	845,172	750,907	Pradeep Metals Limited Inc., USA (Refer Note 30)	2,698,522	781,556	Total	3,543,694	1,532,463
As at 31st March 2017	As at 31st March 2016												
DM Works LLC (Refer Note 32)	845,172	750,907											
Pradeep Metals Limited Inc., USA (Refer Note 30)	2,698,522	781,556											
Total	3,543,694	1,532,463											

		(Amount in USD)	
3	Reserve and surplus	As at 31st March 2017	As at 31st March 2016
	Surplus balance in Statement of Profit and Loss		
	Opening Balance	(276,197)	215,408
	Add/(less) : Consolidation adjustment (Refer note 3.1 below)	-	(40,768)
	Add: Net profit/(loss) transferred from Statement of Profit and Loss for the year (Refer Note 26)	(1,203,429)	(450,838)
	Total	(1,479,626)	(276,197)

- 3.1 In financial year 2014-15, standalone financial statement used for consolidation purpose was unaudited. Subsequently, the standalone financial statements were audited for tax purpose in USA and accounting entries were passed in financial year 2015-16. Net difference in statement of profit & loss pertaining to previous year was adjusted against opening balance of surplus.

(Amount in USD)			
4	Long term borrowings	As at 31st March 2017	As at 31st March 2016
	Secured loan		
	Term loan		
	- Vehicle loan (Refer note 4.1 and 4.2 below)	17,296	30,664
	Total	17,296	30,664

4.1 Details of security provided

Vehicle loan is secured against hypothecation of vehicle

4.2 Terms of repayment and other conditions

(Amount in USD)		
Nature of loan	Amount	Terms of repayment
Vehicle loan **	30,654	Repayable in 36 Monthly instalments of \$ 1173.45 w.e.f. July 2016.

* Figures in bracket pertains to previous year

** Including current maturity of long term loans

		(Amount in USD)	
5	Deferred tax liabilities	As at 31st March 2017	As at 31st March 2016
	Deferred tax liability (net)	-	391,157
	Total	-	391,157

		(Amount in USD)	
6	Other long term liabilities	As at 31st March 2017	As at 31st March 2016
	Amount payable to OSHA	-	4,011
	Total	-	4,011

(Amount in USD)

7	Short term borrowings	As at 31st March 2017	As at 31st March 2016
	Secured loan (Repayable on demand) Machinery loan	134,865	154,105
	Total	134,865	154,105

7.1 Details of security provided

Machinery loan is secured by hypothecation of machine and is guaranteed by both partners.

(Amount in USD)

8	Trade payable	As at 31st March 2017	As at 31st March 2016
	Trade payable	1,286,031	908,514
	Total	1,286,031	908,514

(Amount in USD)

9	Other current liabilities	As at 31st March 2017	As at 31st March 2016
	Current maturity of loan Vehicle loan	13,358	12,970
	Amount payable to OSHA	4,011	9,625
	Interest accrued but not due	490	490
	Others liabilities	701,881	33,383
	Salary and wages payable	30,714	6,641
	Total	750,454	63,109

(Amount in USD)

10	Short term provisions	As at 31st March 2017	As at 31st March 2016
	Provision for income tax (Net)	-	-
	Provision for Salary	-	-
	Provision for Legal Fee	-	-
	Provision for Electricity	-	-
	Vacation allowance	-	12,000
	Total	-	12,000

Dimensional Machine Works LLC

Standalone notes on unaudited provisional financial statements for the year ended 31st March 2017

(Amount in USD)

12	Long term loans and advances	As at 31st March 2017	As at 31st March 2016
	Long term trade receivables	-	-
	Total	-	-

(Amount in USD)

13	Inventories	As at 31st March 2017	As at 31st March 2016
	Raw materials	-	-
	Finished goods	780,739	836,775
	Work in progress	-	-
	Stores and spares	-	-
	Total	780,739	836,775

(Amount in USD)

14	Trade receivables	As at 31st March 2017	As at 31st March 2016
	(from the date they are due for payment)		
	Debt outstanding for a period exceeding six months		
	Considered good	-	-
	Considered doubtful	-	15,340
	Others debts	778,363	250,502
		778,363	265,842
	Less: Provision for doubtful debts	-	15,340
	Total	778,363	250,502

(Amount in USD)

15	Cash and bank balances	As at 31st March 2017	As at 31st March 2016
	Cash and cash equivalent		
	Cash in hand	-	-
	Balance with bank		
	- In current accounts	114,365	456,608
	Total	114,365	456,608

(Amount in USD)

16	Short-term loans and advances	As at 31st March 2017	As at 31st March 2016
	(Unsecured, considered good unless otherwise stated)		
	Advances recoverable in cash or in kind or for value to be received	281,981	15,168
	Total	281,981	15,168

11 Fixed assets

11.1 Fixed assets as at 31st March 2017

11.2 Fixed assets as at 31st March 2016

Particulars	Gross block					Depreciation/ amortization			(Amount in USD)	
	At 1st April 2015	Adjustment	Additions	Deductions	At 31st March 2016	At 1st April 2015	For the year	Deletions / adjustments	Net block	
									At 31st March 2016	At 31st March 2016
Tangible assets										
Plant and Machinery	463,479		507,748	-	971,227	22,350	138,750	-	161,100	810,128
Furniture and Fixtures	1,182		1,577	-	2,759	150	394	-	544	2,215
Vehicles	-		66,817	-	66,817	-	9,545	-	9,545	57,272
Total	464,661		576,142	-	1,040,804	22,500	148,689	-	171,189	869,614

Dimensional Machine Works LLC

Standalone notes on unaudited provisional financial statements for the year ended 31st March 2017

			(Amount in USD)
17	Revenue from operations	2016-2017	2015-2016
	Sales- Machined components	1,582,321	3,124,327
	Total	1,582,321	3,124,327

			(Amount in USD)
18	Other income	2016-2017	2015-2016
	Profit on sale of assets	-	16,000
	Miscellaneous receipts	690	9,705
	Total	690	25,705

		(Amount in USD)	
19	Cost of material consumed- Steel & alloys	2016-2017	2015-2016
	Raw Material		
	Opening stock	-	-
	Add : Purchases and incidental expenses	238,161	460,670
		238,161	460,670
	Less : Closing Stock	-	-
	Purchase of finised goods		750,000
	Total	238,161	1,210,670

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		(Amount in USD)	
Changes in inventory of work-in-progress and finished goods		2016-2017	2015-2016
Opening stock			
Finished goods		836,775	250,000
Work in progress			
		836,775	250,000
Less : Closing Stock			-
Finished goods		780,739	836,775
Work in progress			
		780,739	836,775
(Increase)/ Decrease in inventory of work in progress and finished goods		(56,291)	586,775

		(Amount in USD)	
21	Manufacturing expenses	2016-2017	2015-2016
	Cost of Good Sold	22,012	-
	Stores & spares consumed	64,210	78,085
	Power and fuel	37,111	57,205
	Repairs and maintenance		
	- Plant and machinery	22,571	27,642
	Contract labour expense	127,325	38,914
	Job work expenses	175,186	192,039
	Total	448,415	393,885

Dimensional Machine Works LLC

Standalone notes on unaudited provisional financial statements for the year ended 31st March 2017

(Amount in USD)		
22	Employee benefit expense	
	2016-2017	2015-2016
	Salaries, wages and bonus	963,599
	Contribution to funds	145,519
	Vacation allowance	-
	Workmen and staff welfare expenses	127
	Total	1,109,244
		1,799,973

(Amount in USD)		
23	Finance cost	
	2016-2017	2015-2016
	Interest on loans	7,157
	Other interest costs	-
	Bank charges	2,581
	Total	9,738
		8,758

(Amount in USD)		
24	Administrative, selling and distribution expense	
	2016-2017	2015-2016
	Rent & lease expenses	276,861
	Rates and taxes	13,372
	Repairs and maintenance - Others	
	- Factory building	3,872
	Insurance expenses	20,371
	Freight outward	128
	Professional fees	268,670
	Donation	-
	Motor car expense	3,523
	Communication expenses	3,961
	Bad debts	(5,340)
	Office expenses	7,908
	Sales promotion expenses	2,655
	Travelling expenses	565
	Provision for doubtful debts	-
	Provision for Equipment Rental (Refer Note no.28)	41,917
	Provision for Salary (Refer Note no.29)	-
	Provision for Legal Fee	-
	Provision for Electricity	-
	Miscellaneous expenses	1,595
	Total	640,056
		625,669

25 Prior period items

Particulars	(Amount in USD)	
	As at 31st March 2017	As at 31st March 2016
Revenue		
Revenue from operation - Sales	-	52,709
Finance expenses reversed	170,379	220
	170,379	52,929
Expenses		
Purchase and manufacturing expenses	-	72,547
Employee benefits	-	11,006
Administrative, selling and distribution expense	402,055	10,114
	402,055	93,667
Net income/ (expenses)	(231,676)	(40,738)

Additional Notes :

26 **Statement of Reconciliation of the Profit & Loss A/c/ for the Year 2016-17**

(Amt. in USD)

Particular	As Per Revised Quick Books	As Per Our Working	Increase in Loss/ (decrease in loss)
1. Depreciation on Fixed Assest	265,423	96,322	(169,101)
2. Provisions :			
Equipment Rent	-	41,917	41,917
3. Prior Period Equipment Rent Recoverable	-	(121,736)	(121,736)
4. Change in Inventory @ 20% material cost to sales	-	56,291	56,291
5. Net loss on account of previous year (refer point 2)			231,676
Net Change in Profit & Loss (A)	343,694	151,065	39,047
Loss as per Revised Given Books			1,164,381
Loss as per Our Working			1,203,429
Difference in the loss (B)			39,048
Net difference (A-B)			0

27 **Prior Period Adjustment**

(Amt. in USD)

Particular	As Per Revised Quick Books	As Per Our Working	(Increase in loss)/ decrease in loss
Opening Balance difference in retaining earing	(667,220)	(276,198)	(391,022)
Depreciation on Fixed Assets	265,423	95,044	170,379
Amortization of Goodwill	78,271	78,271	-
Net Prior Period Item			(220,643)
Balance shown under equity in quick books (balancing figure)			(11,033)
Total Prior Period Item (shown in Statemetn of P&L)			(231,676)

Note 1. :- As per quick book, in the opening balancesheet dated 25.04.2015, USD - 295,640 is shown as accumulated loss on account of transactions pertaining upto 25th April 2015. Total loss of USD 667,220 includes USD 295,640.

28 Operating lease:

The Firm has taken premises and machine under operating lease. These agreements are generally non cancelable.

Total lease payments in respect of such leases debited to the Statement of Profit and Loss and disclosed in note 28 of the financials statements is USD 318,778 (Previous Year : USD 471156).

Contingent rent is Nil (Previous Year : USD Nil).

The future minimum lease payments under non-cancellable operating lease agreement are as under:

Particulars	(Amount in USD)	
	As at 31st March 2017	As at 31st March 2016
Not later than one year	200,743	448,656
Later than one year and not later than five years	556,880	1,137,312
Later than five years	360,750	450,000
Total	1,118,373	2,035,968

Amount of rent received under sub leasing arrangement is USD Nil (Previous Year : USD Nil).

Equipment Rental Working

Particular	As Per Revised Quick Books	As Per Our Working	Recoverable/ (Payable)
Recoverable equipment rental in the year 2015-16 (Rental Exp of booked @ \$27388 for 11 month 6 days instand of @ \$ 16544 for 11 month 6 days)	307,029	185,293	121,736
Provision for equipment rental for the year 2016-17	156,611	198,528	(41,917)
Net impact on P & L			79,819
Receivable from Do NGUYEN			79,819

29 Provision for Salary of Abhinav Goyal for the year 2016-17

Paritcular	Amt. (in USD)
Last Drawn Salary as per statement (15 Days)	3,462
Provison for Salary for the period of Sept 16 to Mar 17	48,462

(Amt. in USD)

Paritcular	Total BS Value	51% Holding
Cash and cash equivalents	1,722	878
Accounts receivable	1,449,102	739,042
Inventories	-	-
Loan to employees	-	-
Total Current Assets	1,450,824	739,920
Fixed Assets after depreciation (Refer note 1.)	426,214	217,369
Total Fixed Assets	426,214	217,369
Total Assets (A)	1,877,038	957,289
Accounts paybale and accrued expenses	295,152	150,527
Other payable	132,753	67,704
Total Current Liabilities	427,905	218,231
Long term loan - N/P/ Osha	22,458	11,454
Total Other Liabilities	22,458	11,454
Total Liabilities (B)	450,363	229,685
Net Assets (A- B)	1,426,675	727,604
Net Considaration Paid (Refer note 2.)		2,698,522
Goodwill		1,970,918

Note 1. :- Fixed Assets taken on the basis of value prscribe in the the report of Financial Due Diligence by Jain & Jain on the base of BS dated 01.01.2015 i.e. \$ 442000, depreciation for the period of jan to march deducted (442000/7)*3/12 = 15786, so net value of Fixed assets is \$ 442000-15786 = \$426214.

Note 2 :- Net Considaration

Total Considaration Paid	2,856,000
Less: adjustment for shorter cash mainatain in the books, as compare to amount \$ 160000 as prescirbe in agreement. (Figure as caculated by neha)	157,478

Net Considaration Payable	2,698,522
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Note3 : Corresponding adjustment done in PML USA by redusing investment & purchase consideration payable. Net purchase consdieration is USD 270922.

Adjustment made in opening Balance Sheet as on 25.04.2015

(Amt. in USD)

Particular	As Per Revised Quick Books	As Per Our Working	Increase/ (Decrease)
Fixed Assts	1,852,425	426,214	(1,426,211)
Goodwill	1,174,060	1,970,918	796,858
Change in Assets			(629,353)
Equity of DM Works LLC (Refer working point no. 7)	1,474,525	845,172	(629,353)
Change in Liabilities			(629,353)