Pidilite USA, Inc.

Financial Statements

March 31, 2015 and March 31, 2014

KNAV P.A.

Certified Public Accountants

3883 Rogers Bridge Road,

Suite 601,

Duluth, GA 30097

Table of Contents

Independent Auditor's Report

Board of Directors
Pidilite USA, Inc.

We have audited the accompanying financial statements of Pidilite USA, Inc. ('the Company') which comprise the balance sheets as of March 31, 2015 and March 31, 2014 and the related statements of income, change in stockholders' equity, and cash flows for the years then ended and the related notes to financial statements.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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 control relevant to the organization'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 organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 referred to above present fairly in all material respects, the financial position of the Company as of March 31, 2015 and March 31, 2014 and the results of its operations and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

KNAV P.A.

Atlanta, Georgia
April 27, 2015

KNAV P.A.
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Financial Statements

Balance sheets

(All amounts in United State Dollars, unless otherwise stated)

	As at	
	March 31, 2015	**March 31, 2014**
ASSETS		
Current assets		
Cash and cash equivalents	869,522	1,209,735
Investment, at cost *(Note C)*	772,562	-
Accounts receivable, net	6,475,294	5,761,913
Inventories, including goods-in-transit	9,181,211	8,087,454
Prepaid expenses	277,200	262,933
Other current assets	292,892	370,013
Deferred tax assets	600,303	-
Total current assets	**18,468,984**	**15,692,048**
Property, plant and equipment, net	935,506	762,500
Goodwill and other intangibles, net	2,136,033	2,330,548
Total assets	**21,540,523**	**18,785,096**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Line of credit	5,050,000	4,000,000
Accounts payable	2,603,253	2,608,636
Other current liabilities	1,809,252	1,750,188
Total current liabilities	**9,462,505**	**8,358,824**
Non current liabilities		
Deferred tax liabilities	197,627	175,603
Total liabilities	**9,660,132**	**8,534,427**
Stockholders' equity		
Common stock	14,780,000	14,780,000
Accumulated deficit	(2,899,609)	(4,529,331)
Total stockholders' equity	**11,880,391**	**10,250,669**
Total liabilities and stockholders' equity	**21,540,523**	**18,785,096**

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

Statements of income

(All amounts in United State Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2015	**March 31, 2014**
Net revenues	33,599,258	30,245,263
Less: Cost of revenues	22,370,296	19,886,490
Gross profit	**11,228,962**	**10,358,773**
Operating costs and expenses		
Selling, general and administrative	9,630,583	8,731,224
Depreciation and amortization	404,664	416,264
Interest expense, net of interest income	98,202	121,915
Total operating costs and expenses	**10,133,449**	**9,269,403**
Operating income	**1,095,513**	**1,089,370**
Current tax expense	44,070	53,736
Deferred tax benefit	(578,279)	-
Net income	**1,629,722**	**1,035,634**

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

Particulars	Common stock: Authorized Shares	Common stock: Authorized Value in US$	Common stock: Issued and outstanding Shares	Common stock: Issued and outstanding Value in US$	Accumulated deficit	Total stockholder's equity
Balance as at March 31, 2013	**27,000,000**	**27,000,000**	**14,780,000**	**14,780,000**	**(5,564,965)**	**9,215,035**
Net income for the year					1,035,634	1,035,634
Balance as at March 31, 2014	**27,000,000**	**27,000,000**	**14,780,000**	**14,780,000**	**(4,529,331)**	**10,250,669**
Net income for the year					1,629,722	1,629,722
Balance as at March 31, 2015	**27,000,000**	**27,000,000**	**14,780,000**	**14,780,000**	**(2,899,611)**	**11,880,391**

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

Statements of cash flows

All amounts in United State Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2015	**March 31, 2014**
Cash flow from operating activities		
Net profit after tax	1,629,722	1,035,634
Adjustments to reconcile net profit to net cash provided by (used in) operating activities		
Depreciation and amortization	404,665	416,264
Deferred tax	(578,279)	20,972
Allowance for doubtful accounts	(42,438)	40,000
Changes in assets and liabilities		
Accounts receivable ,net	(670,943)	(65,167)
Inventories, including goods-in-transit	(1,093,757)	(87,257)
Prepaid expenses	(14,268)	87,593
Other Current Assets	77,122	(242,791)
Accounts payable	(27,945)	(1,166,030)
Other current liabilities	59,065	31,040
Net cash provided by (used in) operating activities	**(257,056)**	**70,258**
Cash flow from investing activities		
Purchase of property, plant and equipment	(383,157)	(162,529)
Investments (Refer Note C)	(750,000)	
Net cash (used in) investing activities	**(1,133,157)**	**(162,529)**
Cash flow from financing activities		
Proceeds from short term debt	1,050,000	400,000
Net cash used in provided by financing activities	**1,050,000**	**400,000**
Net increase in cash and cash equivalents	(340,213)	307,729
Cash and cash equivalents at the beginning of the year	1,209,735	902,006
Cash and cash equivalents at the end of the year	**869,522**	**1,209,735**
Supplemental cash flow information		
Interest paid	134,203	171,500
Income taxes paid	79,705	63,321

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

Notes to financial statements

(All amounts in United State Dollars, unless otherwise stated)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements are as follows:

1. *Business description*

Pidilite USA, Inc (the Company") was incorporated in Delaware on May 12, 2006. On June 12, 2006 ("the Sargent acquisition date"), the Company acquired certain assets and assumed liabilities comprising the business of Sargent Art, LLC. On June 20, 2006 ("the Cyclo acquisition date"), the Company acquired certain assets and assumed liabilities comprising the business of Cyclo Industries, LLC. On April 22, 2008 ("the Power Poxy acquisition date"), the Company acquired certain assets and assumed liabilities comprising the business of Poxy Plus, a division of BMG Group.

The Company conducts business through its divisions Sargent Art and Cyclo. Sargent Art division manufactures and trades in art materials and is located in Hazleton, Pennsylvania. The Cyclo division trades in car care products, and is located in Jupiter, Florida. The Company closed the operations of the Power Poxy division in March 2013.

Pidilite USA, Inc is a wholly owned subsidiary of Pidilite Industries Limited, a public listed company in India.

2. *Financial statements*

a) *Basis of preparation*

The accompanying financial statements are prepared under the historical cost convention on accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP') to reflect the financial position, results of operation, stockholders' equity and cash flow.

All amounts are stated in US dollars, except as otherwise specified.

The current year financial statements are for the fiscal year April 1, 2014 to March 31, 2015. The previous year financial statements are for fiscal year April 1, 2013 to March 31, 2014. The amounts in the notes to the financial statements for the previous year ending March 31, 2014 are given in brackets. Certain reclassifications, regroupings and reworking have been made in the consolidated financial statements of prior periods to conform to the classifications used in the current year. These changes had no impact on previously reported net income or stockholders' equity.

b) Estimates and assumptions

In preparing the financial statements in conformity with US GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The important estimates made by the Company in preparing these financial statements include those on the useful life of property and equipment, the valuation and impairment of goodwill and other intangibles, the provision for rebates and allowances and realization of deferred taxes. Actual results could differ from those estimates.

3. *Cash and cash equivalents*

The Company considers all highly liquid investments and deposits with an original maturity of ninety days or less to be cash and cash equivalents. Cash and cash equivalents comprise cash on hand and balance with banks.

4. *Revenue recognition*

Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of the products are transferred to the customer and when the following criteria are met:

- Persuasive evidence of an arrangement exists;
- The price to the buyer is fixed and determinable;
- Delivery has occurred and/or services have been rendered ; and
- Collectability of the sales price is reasonably assured.

Revenue from sale of goods is shown net of provisions for estimated sales returns, consumer and trade promotions, rebates, cash discounts, promotional reserve and other deductions. Provisions for rebates to customers are provided in the same period that the sales are recorded. The Company accounts for free products offered to customers as cost of sales, based on the guidance provided in Accounting Standard Codification ("ASC") 605-50, Vendor's Accounting for Consideration Given to a Customer.

5. *Shipping and handling costs*

The Company classifies shipping and handling costs as selling expenses. Amounts billed to a customer in sales transaction related to shipping and handling are credited to shipping and handling costs.

6. *Allowance for doubtful accounts*

The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of their customers to make required payments. Management analyzes accounts receivable and the composition of the accounts receivable aging, historical bad debts, current economic trends and customer credit worthiness when evaluating the adequacy of the allowance for doubtful accounts. Bad debt expense is included in general expenses in the statement of income.

7. *Goodwill and intangible assets*

In accordance with ASC 350, Goodwill and Other Intangible Assets, all assets and liabilities of the acquired business including goodwill are assigned to the reporting units. The Company does not amortize goodwill but instead tests goodwill for impairment at least annually, using a two step impairment process. The fair value of the reporting unit is first compared to its carrying value. The fair value of reporting units is determined using the income approach based on measurement techniques such as discounted cash flow analysis. If the fair value of the reporting unit exceeds the carrying value of the net assets to that unit, goodwill is not impaired. If the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, then the implied fair value of the reporting unit's goodwill is compared with the carrying value of the reporting unit's goodwill. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, then an impairment loss equal to the difference is recorded.

Intangible assets acquired individually, with a group of other assets or in a business combination are carried at cost less accumulated amortization. The intangible assets are amortized over their estimated useful lives in proportion to the economic benefits consumed in each period. The estimated useful lives of the intangible assets are as follows:

Marketing-related intangibles	15 years

Payments made for non-compete covenants in a business combination are written off during the non- compete period, which is for 5 years.

8. *Inventories*

Inventories are stated at the lower of cost or market value. Cost is determined using weighted-average method for raw materials and packing materials, work in process, manufactured finished goods and the traded finished goods of art materials and adhesive segment and also to determine cost of the traded finished goods of car care products inventories. The Company provides an allowance for slow moving inventory based on a specific identification method considering the ageing of the inventory and the current market conditions.

9. *Income taxes*

The Company accounts for deferred taxes under the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of comprehensive income in the period of change. Based on management's judgment, the measurement of deferred tax assets is reduced, if necessary, by a valuation allowance for any tax benefits for which it is more likely than not that some portion or all of such benefits will not be realized.

10. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful life of the assets using the straight-line method. Expenditures for maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the cost of the asset and related depreciation are eliminated from the financial records. Any gain or loss on disposition is credited or charged to income.

The estimated useful lives of assets are as follows:

Leasehold improvements	4-5 years
Machinery and equipment	7 years
Office furniture and equipment	3-5 years
Vehicles	5 years
Software licenses	5 years

Impairment of long-lived assets

Long-lived assets to be held are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Such assets are considered to be impaired if the carrying amount of the assets is higher than the future undiscounted net cash flows expected to be generated from the assets. The impairment amount to be recognized is measured by the amount by which the carrying value of the assets exceeds its fair value.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	As at	
Particulars	**March 31, 2015**	**March 31, 2014**
Petty cash	1,424	1,276
Checking accounts	815,195	1,161,957
Payroll accounts	52,903	46,502
Total	**869,522**	**1,209,735**

Cash balances on checking accounts and payroll accounts with the bank are insured by the Federal Deposit Insurance Corporation up to an aggregate of $ 250,000 ($ 250,000) per depositor at each financial institution, and the Company's non-interest bearing cash balances may exceed federal insured limits.

NOTE C – INVESTMENT

On September 29, 2014 the Company invested in convertible promissory notes of Optmed Inc. for an amount of $ 750,000. The conversion of the promissory notes is subject to various covenants. The conversion feature also includes an option to convert at the sole discretion of the Company upon certain future event. Management has considered and valued this investment as a 'debt instrument' and believes that the valuation of the option can be done only after the occurrence of the specific future event. Interest of $ 22,562 has been accrued on the promissory notes based on the terms of the notes.

NOTE D – ACCOUNTS RECEIVABLE

The accounts receivable as at March 31, 2015 are stated net of rebates, allowances for sales return and allowance for doubtful accounts. Accounts receivables as at March 31, 2015 of $ 6,475,294 ($ 5,761,913) represent dues from customers of the Company, representing amounts receivable on product sales. The Company maintains an allowance for doubtful accounts and returns on all accounts receivables, based on present and prospective financial condition of the customer and ageing of accounts receivables after considering historical experience and the current economic environment.

The movement in allowance for doubtful accounts during the year was as follows:-

	Year ended	
Particulars	**March 31, 2015**	**March 31, 2014**
Balance at the beginning of the year	670,845	716,148
Add: Provision for the year (net of reversal)	(42,438)	(2,560)
Less : Bad debts written off	(49,765)	(42,743)
Balance at the end of the year	**578,642**	**670,845**

At the end of fiscal year 2013 a major customer of the Sargent Art division filed for Chapter 11 bankruptcy protection. The Company filed its priority claim of $ 37,608 and non-priority claim of $ 448,348 with the Bankruptcy Court. Based on the Reorganization Plan ("Plan") approved by the Court, the Company received the full amount of its priority claim. With regard to the non-priority claim the Plan provided different options to the Company.

The Company accepted the option to provide the customer agreed upon customary trade terms (same terms as were given pre-petition) till September 30, 2014. The Company may receive 45% of the allowed non-priority claim plus interest at 10% per annum accrued quarterly and payable after approximately six and half years. The Company estimates the realization after six and half years under this option would be approximately $ 372,121. The Company has adequately provided for the account receivable from the customer.

NOTE E – INVENTORIES

Major classes of inventory are as follows:

	As at	
Particulars	**March 31, 2015**	**March 31, 2014**
Raw materials and packing materials	1,759,557	1,541,091
Work in process	171,172	207,468
Manufactured finished goods	1,162,470	1,185,445
Goods in transit	280,562	248,838
Traded finished goods:		
- Art materials	2,935,664	2,566,501
- Car care products	3,004,290	2,531,801
Less: Allowance for slow moving inventory	(132,504)	(193,690)
Total inventory	**9,181,211**	**8,087,454**

NOTE F – PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment comprise the following:

Particulars	As at March 31, 2015	March 31, 2014
Leasehold improvement	278,677	210,511
Machinery and equipment	2,407,365	2,161,512
Office furniture and equipment	707,365	638,228
Vehicles	23,465	23,465
Software licenses	325,988	325,988
Less: Accumulated depreciation	(2,807,354)	(2,597,204)
Property, plant and equipment, net	**935,506**	**762,500**

Depreciation for the year ended March 31 2015 was $ 210,151 ($ 221,750) which included depreciation on leasehold improvements of $ 20,033 ($ 14,669)

NOTE G – GOODWILL AND OTHER INTANGIBLES, NET

During the period ended March 31, 2009 the Company completed the Power Poxy business acquisition. The business acquisition of Power Poxy resulted in goodwill of $ 537,210.

During the period ended March 31, 2007 the Company completed the Sargent Art LLC and the Cyclo Industries LLC business acquisitions. The business acquisitions of Sargent Art LLC and Cyclo Industries LLC resulted in goodwill of $ 70,359 and $ 779,944, respectively. The goodwill on acquisition of Cyclo Industries LLC increased by $ 77,532 to $ 857,476 due to certain post acquisition adjustments in the purchase consideration. Other intangibles, which were acquired in the business combinations, included:

Particulars	Power Poxy	Sargent Art	Cyclo
Trademarks	$ 139,095	$ 770,281	$ 2,199,216
Non-compete	-	$ 50,000	$ 10,000

The Company amortizes the non-compete covenants over the term of the non-compete, which is five years. The accumulated amortization as of March 31, 2015 with regard to non-compete is $ 60,000 ($ 60,000).

The Company has estimated the useful life of the trademarks to be 15 years. The Company capitalizes the registration and renewal costs incurred on the trademarks and the estimated useful life of such costs have been estimated at 5 years by the Company. The Company recorded amortization expense of $ 194,514 ($ 195,188) with regard to the trademarks. The Company has written off the unamortized trademark costs of the Power Poxy division.

Particulars	Goodwill	Trademarks	Non-compete	Total
As at March 31, 2015				
Goodwill and other intangibles, gross	927,834	2,969,497	60,000	3,957,331
Less: Accumulated amortization		(1,761,298)	(60,000)	(1,821,298)

Particulars	Goodwill	Trademarks	Non-compete	Total
Goodwill and other intangibles, net	**927,834**	**1,208,199**	**NIL**	**2,136,033**
As at March 31, 2014				
Goodwill and other intangibles, gross	927,834	2,969,497	60,000	3,957,331
Less: Accumulated amortization		(1,566,784)	(60,000)	(1,626,784)
Goodwill and other intangibles, net	**927,834**	**1,402,713**	**NIL**	**2,330,547**

The gross amount of trademarks includes registration and renewal costs of $ 51,787.

NOTE H – LINE OF CREDIT

The Company has a working capital facility line of credit with Royal Bank of Scotland with a maximum permissible limit of $ 6,000,000 ($ 6,000,000). As at March 31, 2015 the Company has made withdrawals to the tune of $ 5,050,000 ($ 4,000,000). Interest on the line of credit is payable at LIBOR plus 2.50% per annum, calculated at monthly intervals. The weighted average rate of interest for the year ended March 31, 2015 was 3.0% per annum (3.0% per annum). As of March 31, 2015 the applicable rate of interest on the outstanding line of credit was 3.0% per annum (3.0% per annum). The line of credit is guaranteed by Pidilite Industries Limited. Total interest expense on the line of credit for the year ended March 31, 2015 is $ 134,203 ($ 64,276). Interest is payable on a quarterly basis and the line of credit is repayable on demand.

NOTE I – OTHER CURRENT LIABILITIES

Major components of other current liabilities are as follows:

Particulars	As at March 31, 2015	March 31, 2014
Accrued expenses	676,991	776,259
Accrued Salaries	153,041	141,102
Advance to customers	111,437	101,110
Payable to Associate companies	183,875	114,276
Bonus payable	546,501	439,465
Accrued Vacation pay	51,066	76,475
Accrued Interest	31,613	58,251
Accrued Legal Expenses	37,525	43,250
Provision for taxes	17,203	-
Total Other current liabilities	**1,809,252**	**1,750,188**

NOTE J – SHIPPING AND HANDLING COST

The amount of shipping and handling costs for the year ended March 31, 2015 were $ 2,303,485 ($ 2,157,392).

NOTE K – ADVERTISING AND SALES PROMOTION COST

During the year ended March 31, 2015, the Company incurred $ 1,786,433 ($ 1,526,562) on advertising and sales promotions.

NOTE L – INCOME TAXES

The provision for income tax (expense) benefit is as follows:

Particulars	For the year ended March 31, 2015	March 31, 2014
State		
Current	33,540	21,052
Deferred	(46,160)	(59)
Federal		
Current	10,530	11,712
Deferred	(532,120)	21,031
Total	**(534,210)**	**53,736**

NOTE M – INCOME TAXES

The following is the summary of items giving rise to deferred tax assets and liabilities:

	For the year ended March 31, 2015	March 31, 2014
Current deferred tax asset		
Accounts receivable	213,509	248,662
Inventory	407,079	346,244
Inventory reserve	48,892	71,795
Accrued bonus	48,522	13,350
Accrued vacation	18,843	28,347
Corporate guarantee fees	4,426	-
Current deferred tax asset	**741,271**	**708,397**
Less: Valuation allowance	(140,968)	(708,397)
Current deferred tax asset, net	**600,303**	**Nil**
Non-current deferred tax asset		
Net operating losses	865,426	1,189,510
Alternate minimum tax credit	22,195	11,711
Intangibles other than goodwill	19,029	21,879
Non-current deferred tax asset	**906,650**	**1,223,100**
Less: Valuation allowance	(623,577)	(1,015,037)
Non-current deferred tax asset	**283,073**	**208,063**
Non-current deferred tax liability		
Property, plant and equipment	283,073	208,063
Goodwill	197,627	175,603
Non-current deferred tax liability	**480,700**	**383,666**
Non-current deferred tax liability, net	**(197,627)**	**175,603**

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all of the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

The Company has provided a valuation allowance of $ 764,545 and $ 1,723,434 as at March 31, 2015 and March 31, 2014, respectively, against the net deferred tax assets. The change in valuation allowance is $ 958,889 between the balance sheet dates.

The Company has net operating loss carry forwards of approximately $ 2,120,335 ($ 3,818,669) as of March 31, 2015 available to reduce future federal income taxes. If not used, the carry forwards will begin to expire in 2028. The state net operating losses and their availability for future utilization vary from state to state.

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The adoption of this standard had no material effect on the Company's financial position, results of operation or cash flows

The tax years of 2011 through 2013 remain subject to examination by the taxing authorities.

NOTE N – RELATED PARTY TRANSACTIONS

A. The following are the related parties with whom transactions have taken place during the year with the Company having closing balances:

   a. Pidilite Industries Limited – Parent Company
   b. PT Pidilite Indonesia – Associate Company
   c. Pidilite South Africa – Associate Company
   d. Pidilite International Pte Limited – Associate Company
   e. Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda – Associate Company

B. Summary of transactions with related parties are as follows:

Particulars	**Pidilite Industries Limited US$**	**PT Pidilite Indonesia US$**	**Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda**	**Pidilite International Pte Ltd US$**	**Total US$**
	For the year ended March 31, 2015				
Sales	73,851	-	-	-	**73,851**
Purchases	943,777	-	-	-	**943,777**
Royalty expense	-	-	-	303,946	**303,946**
Legal fees paid	-	-	-	30,164	**30,164**
Service fees	165,098	-	-	-	**165,098**
Expense reimbursement	277,594	-	336,870	-	**614,463**
Allocation fees	16,868	-	-	-	**16,868**
As at March 31, 2015					
Accounts receivable	36,868	-	705,868	-	**742,706**
Other receivables	35,877	-	-	-	**35,877**
Accounts payable	142,993	-		151,592	**294,585**
Other payable	520,136	-		-	**520,136**

	For the year ended March 31, 2014				
Sales	93,895	-	-	-	**93,895**
Purchases	911,076	-	-	-	**911,076**
Royalty expense	-	-	-	314,856	**314,856**
Legal fees paid	-	-	-	45,852	**45,852**
Service fees	135,929	-	-	-	**135,929**
Expense reimbursement	195,797	-	368,998	-	**564,796**
Allocation fees	42,171	-	-	-	**42,171**
As at March 31, 2014					
Accounts receivable	51,239	17,326	368,998	-	**437,563**
Other receivables	11,374	-	-	-	**11,374**
Accounts payable	40,914	-		230,990	**271,904**
Other payable	388,768	-		-	**388,768**

The Company has outstanding balance of line of credit from Royal Bank of Scotland, at March 31, 2015, amounting to $ 5,050,000 ($ 4,000,000). The line of credit is guaranteed by Pidilite Industries Limited.

NOTE O - COMMITMENTS AND CONTINGENCIES

a) Operating leases

The Company leases office space, manufacturing and warehousing facilities and office equipment under cancelable and non-cancelable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases were $ 595,125 ($ 579,587) for the year ended March 31, 2015.

Details of contractual payments under non-cancelable leases are given below:

Year	Rental commitments for office premises	Rental commitments for manufacturing and warehousing facilities
2015-16	107,000	311,592
2016-17	113,000	214,412
2017-18	19,000	16,500
Total	**239,000**	**542,504**

b) Employment contracts

The Company has employment agreements with key executive officers. These agreements provide for base salaries, bonus, perquisites and fringe benefits as approved by the Board of Directors. The Company accrues for incentives payable to the key executive officers.

c) Litigations and claims

During the fiscal year 2013-14 a company called Drimark filed a case against the Company for infringement of its patent relating to metallic markers. The Company has settled outside the court with the party on the subject matter of dispute. Based on the agreement the Company agreed to pay back royalty from 2006 of $ 60,000 to settle all past claims till June 6, 2013 and a royalty going forward at the rate of $ 0.015 per marker till October 12, 2019.

NOTE P – RETIREMENT PLANS

The Company contributes to two 401(k) plans for salaried and eligible hourly personnel. The contribution for the year ended March 31, 2015 is $ 95,772 ($ 71,186).

NOTE Q – CONCENTRATION RISK

The Company's future results of operations involve a number of risks and uncertainties. Factors that could affect future operating results and cause actual results to vary materially from expectations include but are not limited to government regulations, competition, reliance on certain customers and credit risk.

The Company has concentration in respect of region in which it operates, which is the United States.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. To reduce its credit risk, the Company performs ongoing credit evaluations of customers. No single customer accounted for 10% or more of the accounts receivable as at March 31, 2015 and 2014 and revenues for the year ended March 31, 2015 and 2014.

NOTE R - STOCKHOLDERS' EQUITY

The authorized share capital of the Company is 27,000,000 (27,000,000) common shares of a par value of $ 1 each. The Company has issued 14,780,000 (14,780,000) common shares of $ 1 each. Each share carries an equal voting right and is entitled to an equal share in the assets of the Company at liquidation.

NOTE S – SUBSEQUENT EVENTS

These financial statements considered subsequent events through April 27, 2015, the date the financial statements were available to be issued.

NOTE T

Previous year's figures have been restated, regrouped, reworked or reclassified wherever required.