



N.V. Nathan & Co

Chartered Accountants

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Independent Auditors' Report

To The Members of **Acorn Engineering Limited.**

Report on the Financial Statements

We have audited the accompanying Financial Statements of Acorn Engineering Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and Notes to Financial Statements comprising of 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 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 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 includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Company and for preventing 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 statements 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 controls relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March, 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. In our opinion and according to the information and explanation given to us, since the Company has not engaged in any business activity during the year and as such the information required under the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of section 143 of the Act, is not applicable to the Company

2. As required by Section 143(3) of the Act, we report that:

- (a) We have 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 on 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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 written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 give to us, we report that there are no such transactions during the year.

For N. V. NATHAN & Co.,
Chartered Accountants
ICAI Firm Registration No. 002434S



N. Viswanathan
Partner
Membership No.025386

Place : New Delhi
Date : 12.05.2015

ACORN ENGINEERING LTD.
BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in ₹)

Particulars	Note No.	As at 31.3.2015	As at 31.3.2014
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share capital	1	5,05,000	5,05,000
Reserves and surplus	2	2,76,776	2,41,543
		7,81,776	7,46,543
Current Liabilities			
Other current liabilities	3	38,836	26,947
Total		8,20,612	7,73,490
ASSETS			
Non-current assets			
Non-current investments	4	8,09,555	7,61,815
Current assets			
Cash and cash equivalents	5	11,057	11,675
Total		8,20,612	7,73,490

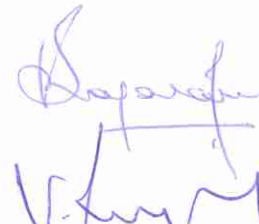
The accompanying notes are an integral part of financial statements.

Per our report attached
 For N V Nathan & Co., (Regn.No.02434S)
 Chartered Accountants



Partner
 Membership No.025386.

New Delhi, the 12th May 2015

DIRECTORS

New Delhi, the 12th May 2015

ACORN ENGINEERING LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in ₹)

Particulars	Note No.	Year ended 2014-15	Year ended 2013-14
REVENUE:			
Other Income	6	47,740	48,703
Total Revenue (I)		47,740	48,703
EXPENSES:			
Other expenses	7	12,507	9,755
Total Expenses (II)		12,507	9,755
Profit before tax		35,233	38,948
Tax expense			
Current Tax		-	-
Profit for the year		35,233	38,948
Earnings per equity share:			
Basic		0.70	0.78
Diluted		0.70	0.78

The accompanying notes are an integral part of financial statements.

Per our report attached
For N V Nathan & Co., (Regn.No.02434S)
Chartered Accountants



Partner
Membership No.025386.

New Delhi, the 12th May 2015



DIRECTORS

New Delhi, the 12th May 2015

ACORN ENGINEERING LTD.

Notes to financial statements

	(Amount in ₹)	
	As at 31.03.2015	As at 31.03.2014
1. SHARE CAPITAL		
Authorised		
100000 (Previous year 100000) Equity Shares of ₹10/- each	10,00,000	10,00,000
50000 (Previous year 50000) Preference Shares of ₹10/ Each	5,00,000	5,00,000
	<u>15,00,000</u>	<u>15,00,000</u>
Issued,Subscribed and Paid up Shares (Equity Shares with equal rights)		
50500 (Previous year 50500) Equity Shares of ₹10/- each	5,05,000	5,05,000
a)Reconciliation of the number of shares outstanding	Nos.	Nos.
Shares outstanding as at the beginning of the year	50,500	50,500
Additions during the year	-	-
Deletions during the year	-	-
Shares outstanding as at the end of the year	<u>50,500</u>	<u>50,500</u>
b)The Company has not issued any preference share capital.		
c) The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The Company, if declares any dividend the same is payable in Indian Rupees. The dividend if any proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting. No Dividend is declared for the subject year. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive 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 the shareholders. The entire equity shares are held by the holding Company, J.K.Fenner (India) Limited and its nominees.		
d) Shares held by each share holder more than 5% Shares	Nos.	Nos.
J.K.Fenner (India) Limited	50,500	50,500


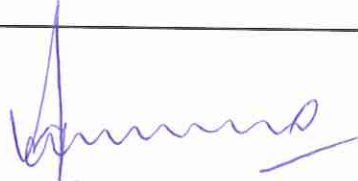


ACORN ENGINEERING LTD.

Notes to financial statements

	(Amount in ₹)	
	As at 31.03.2015	As at 31.03.2014
2. RESERVES AND SURPLUS		
Surplus in the statement of profit and loss		
Balance as at the beginning of the year	241543	202595
Profit for the year	35233	38948
	276776	241543
3. OTHER CURRENT LIABILITIES		
Expenses Payable	38836	26947
4. NON CURRENT INVESTMENTS		
Investments in Mutual Fund	809555	761815
Aggregate value of Quoted Investments - LICMF Liquid Fund	809555	761815
Market value of Quoted Investments	809555	761815
5. CASH AND CASH EQUIVALENTS		
Balance with Banks on Current Account	11057	11675
6. OTHER INCOME	<u>2014-15</u>	<u>2013-14</u>
Income from Investments	47740	48703
7. OTHER EXPENSES		
Insurance	100	100
Rates and Taxes	371	371
Audit fees	3000	3000
Filing fees	8418	5734
Bank Charges	618	550
	12507	9755
8. Related Party Disclosures		
(A) Related Parties		
(i) Holding Company		
J.K.Fenner (India) Limited		
(ii) Fellow Subsidiary Companies		
Southern Spinners and Processors Ltd.		
Modern Cotton Yarn Spinners Ltd.		
BMF Investments Ltd.		
Divyashree Company Pvt Ltd.		
iii) Holding Company of J.K.Fenner (India) Limited		
Bengal and Assam Company Ltd.		
(B) Transactions carried out with related parties in the ordinary course of business		
Nature of Transactions - Other Expenses		
Holding Company		
J.K. Fenner (India) Limited		
(C) Outstanding Balances:	31.03.2015	31.03.2014
Amount payable to Holding Company	35465	23576

ACORN ENGINEERING LTD.

Notes to financial statements

9. Statement of Cash Flow	(Amount in ₹)	
	As at 31.03.2015	As at 31.03.2014
Cash flow from Operating Activities		
Net Profit before tax	35233	38948
Adjustments for :		
Dividend Received	(47740)	(48703)
Operating Profit before Working Capital changes	(12507)	(9755)
Increase / (Decrease) in Trade Payables	11889	9205
Cash generated from Operations	(618)	(550)
Direct taxes (paid)/Refund	-	-
Net Cash from Operating Activities	(618)	(550)
Cash flow from Investing Activities		
(Purchase)/Sale of Investment (Net)	(47740)	(48703)
Dividend Received	47740	48703
Net Cash used in Investing Activities	-	-
Cash flow from Financing Activities		
Interest Income Received	-	-
Increase/(Decrease) in Cash Credit	-	-
Dividend paid (including dividend tax)	-	-
Net Cash used in Financing Activities	-	-
Net increase / (Decrease) in Cash and Cash Equivalents	(618)	(550)
Cash and Cash Equivalents as at the beginning of the year	11675	12225
Cash and Cash Equivalents as at the end of the year	11057	11675
Note:		
1. Figures in brackets are outflows.		
2. Cash and Cash equivalent includes Cash on hand and Balance with Scheduled Banks.		
Per our report attached For N V NATHAN & CO ., (Regn.No.002434S)		
		
Partner		
Membership No. 025386		
New Delhi, the 12th May 2015	DIRECTORS	
	New Delhi, the 12th May 2015	