

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

Your directors present their report on the company for the financial year ended 31 March 2008.

Directors

The names of the directors in office at any time during or since the end of the year are :

- Mr. D C McDonald
- Mr. S Madan (appointed 28 June 2007)
- Mr. A R Bates (appointed 22 July 2007)
- Mr. A K Mukerji (appointed 7 September 2007)

Corporate information

Technico ISC Pty Limited is a company limited by shares that is incorporated and domiciled in Australia. It is a wholly owned subsidiary of Technico Pty Ltd., a company incorporated in Australia, which in turn is a 100% subsidiary of Russell Credit Limited, a company registered in India.

The registered office of Technico ISC Pty Limited is located at :

- Level 10
- 1 Margaret Street
- SYDNEY NSW 2000
- Australia

The company had no employees during the year.

Principal activities

The entity is a dormant entity since was incorporated.

Review and results of operations

As the entity has no activity, it has neither incurred any loss, nor earned any profit.

Significant events after balance sheet date

There are no significant events after the balance sheet date to be reported.

Environmental regulation and performance

The company is not subject to any particular or significant environmental regulation.

Indemnification and insurance of directors

Indemnification

The company has not, during or since the financial year, indemnified or agreed to indemnify a current or former director or officer or auditor of the company or of any related body corporate against a liability incurred whilst engaged as a director or an officer or auditor.

Insurance

The company has not, during or since the financial year, paid any insurance premium or agreed to pay a premium insuring directors, officers and auditors of the company against liabilities for costs and expenses incurred in defending civil or criminal proceedings.

Auditor independence

The auditor's independence declaration is on **page 65** of this report.

Signed in accordance with a resolution of the Board of Directors :

Place : Sydney, Australia
Date : 2 May 2008

A R Bates
Director

DIRECTORS' DECLARATION FOR THE YEAR ENDED 31 MARCH 2008

In accordance with a resolution of the directors of Technico ISC Pty Limited, we state that in the opinion of the directors:

- (a) the company is not a reporting entity as defined in the Australian Accounting Standards ;
- (b) the financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including :
 - (i) giving a true and fair view of the company's financial position as at 31

- March 2008 and of its performance for the year ended on that date; and
- (ii) complying with Accounting Standards and Corporations Regulations; and
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Place : Sydney, Australia
Date : 2 May 2008

A R Bates
Director

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF TECHNICO ISC PTY LIMITED FOR THE YEAR ENDED 31 MARCH 2008

In relation to our audit of the financial report of Technico ISC Pty Limited for the financial year ended 31 March 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence

requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Place : Suite 5, 20 Bundaroo Street
BOWRAL NSW 2576
Date : 5 May 2008

Gillespies
Chartered Accountants
David Duff
Partner

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF TECHNICO ISC PTY LIMITED FOR THE YEAR ENDED 31 MARCH 2008

Scope

The financial report and directors' responsibilities

The financial report is a special purpose financial report and comprises the balance sheet, income statement, statement of changes in equity, accompanying notes to the financial statements, and the director's declaration for Technico ISC Pty Limited ("the company") for the year ended 31 March 2008.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company, and that complies with Accounting Standards in Australia to the extent described in note 1 to the financial statements, in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The directors have determined that the accounting policies used and described in note 1 to the financial statements are appropriate to meet the needs of the members. These policies do not require the application of all Accounting Standards and other mandatory financial reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the directors' financial reporting requirements under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. However, we have not audited the supplementary information in INR (Indian Rupees) provided in the financial report as required by the Indian holding company of the parent entity. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards in Australia to the extent described in note 1 to the financial statements, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included :

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

Independence

We are independent of the company and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included at page 65 of the financial report. The Auditors' Independence declaration would have been expressed in the same terms if it had been given to the directors at the date this audit report was signed.

Audit opinion

In our opinion, the financial report of Technio ISC Pty Limited is in accordance with :

- (a) the *Corporations Act 2001*, including :
 - (i) giving a true and fair view of the financial position of Technico ISC Pty Limited at 31 March 2008 and of its performance for the year ended on that date in accordance with the accounting policies described in note 1 to the financial statements; and
 - (ii) complying with Accounting Standards in Australia to the extent described in note 1 to the financial statements and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirement in Australia to the extent described in note 1 to the financial statements.

Gillespies
Chartered Accountants

Place : Suite 5, 20 Bundaroo Street
BOWRAL NSW 2576
Date : 5 May 2008

David Duff
Partner

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2008 \$	2008 INR	2007 \$	2007 INR
Continuing operations					
Sale of goods		—	—	—	—
Cost of sales:					
Other cost of sales		—	—	—	—
Inventory write off and write down		—	—	—	—
		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Gross profit		—	—	—	—
Other Income		—	—	—	—
Marketing expenses		—	—	—	—
Research and development expenses		—	—	—	—
Occupancy expenses		—	—	—	—
Administration expenses:					
Other administration expenses		—	—	—	—
(Write down)/recovery investments and loans		—	—	—	—
Finance costs		—	—	—	—
Other revenues/(expenses) from ordinary activities		—	—	—	—
		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Profit/(loss) from continuing operations before income tax expense		—	—	—	—
Net profit/(loss) for the period		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net profit/(loss) attributable to members of Technico ISC Pty Limited		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

BALANCE SHEET AS AT 31 MARCH 2008

	Notes	2008 \$	2008 INR	2007 \$	2007 INR
Current assets					
Cash and cash equivalents		—	—	—	—
Trade and other receivables		—	—	—	—
Inventories		—	—	—	—
Other	2	2	73	2	70
Total current assets		<u>2</u>	<u>73</u>	<u>2</u>	<u>70</u>
Non-current assets					
Receivables		—	—	—	—
Other financial assets		—	—	—	—
Property, plant and equipment		—	—	—	—
Intangible assets		—	—	—	—
Total non-current assets		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total assets		<u>2</u>	<u>73</u>	<u>2</u>	<u>70</u>
Current liabilities					
Trade and other payables		—	—	—	—
Loans and borrowings		—	—	—	—
Provisions		—	—	—	—
Total current liabilities		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Non-current liabilities					
Loan and borrowings		—	—	—	—
Provisions		—	—	—	—
Total non-current liabilities		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total liabilities		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net assets		<u>2</u>	<u>73</u>	<u>2</u>	<u>70</u>
Equity					
Contributed equity		2	73	2	70
Accumulated losses		—	—	—	—
Total equity		<u>2</u>	<u>73</u>	<u>2</u>	<u>70</u>

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2008

	Contributed equity \$	Retained earnings \$	Total \$
At 1 April 2006	2	—	2
Loss for the period	—	—	—
Capital contribution	—	—	—
At 31 March 2007	2	—	2
Loss for the period	—	—	—
At 31 March 2008	2	—	2

	Contributed equity INR	Retained earnings INR	Total INR
At 1 April 2006	73	—	73
Loss for the period	—	—	—
Capital contribution	—	—	—
At 31 March 2007	73	—	73
Loss for the period	—	—	—
At 31 March 2008	73	—	73

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

Notes	2008 \$	2008 INR	2007 \$	2007 INR
Cash flow from operating activities				
Net cash flows (used in) operating activities	—	—	—	—
Cash flows from financing activities				
Net cash flows from financing activities	—	—	—	—
Net increase/(decrease) in cash held	—	—	—	—
Add opening cash brought forward	—	—	—	—
Cash and cash equivalents at end of period	—	—	—	—

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31 MARCH 2008

Note 1: Statement of significant accounting policies.

(a) Basis of preparation

The financial report is a special purpose financial report prepared for distribution to members of the company to fulfil the directors' financial reporting requirements under the *Corporations Act 2001*. The accounting policies used in the preparation of this report, as described below, are in the opinion of the directors, appropriate to meet the needs of members.

The financial report has been prepared on a historical cost basis and is presented in Australian dollars. The supplementary information in INR (Indian Rupees), which are unaudited, have been arrived at by applying the year end inter-bank exchange rate of 1 AUD = INR 36.6975 for the current year balance sheet and the average rate of 1AUD = INR 35.9156 for the year for the current year Income Statement, and have been included in the financial report as required by the Indian holding company of the parent entity.

The directors have determined that the company is not a "reporting entity". Consequently the requirements of Accounting Standards issued by the AASB and other professional reporting requirements do not have mandatory applicability to Technico ISC Pty Limited in relation to the year ended 31 March 2008. However, the directors have determined that in order for the financial report to give a true and fair view of the company's results of operations and state of affairs, the requirements of Accounting Standards and other professional reporting requirements in Australia relating to the measurement and recognition of assets, liabilities, revenues, expenses and equity should be complied with.

(b) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 2: Other current assets

	2008 \$	2008 INR	2007 \$	2007 INR
Current				
Receivable from Technico Pty Ltd	2	73	2	70

Note 3: Contributed equity

	2008 \$	2008 INR	2007 \$	2007 INR
(a) Issued and paid up capital				
2 Ordinary shares fully paid	2	73	2	70

(b) Terms and conditions of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Note 4: Events subsequent to reporting date

There are no subsequent events to be reported.