

**BOROSIL AFRASIA
MIDDLE EAST
TRADING LLC**

Financial Statements

31 March 2017

Registered office:

Office 7, KKR Business Centre,
Aspin Commercial Tower, Sheikh Zayed Road
P.O. Box 413900
Dubai, U.A.E.

BOROSIL AFRASIA MIDDLE EAST TRADING LLC

Financial Statements

31 March 2017

<i>CONTENTS</i>	<i>PAGE</i>
Director's Report	1
Independent Auditors' Report	2 - 4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 – 19

BOROSIL AFRASIA MIDDLE EAST TRADING LLC

Director's Report

The director submits his report for the accounting year that ended on 31 March 2017.

Results

Loss for the year amounted to AED 202,946/-.

Review of the business

The company is registered to carry out activity of general trading.

Events since the end of the year

There were no important events, which have occurred since the year-end that materially affect the company.

Shareholders and management

The shareholders and their interests as at 31 March 2017 in the share capital of the company were as follow:

<u>Name of the shareholder</u>	<u>Nationality/ Country of incorporation</u>	<u>No. of shares</u>	<u>AED</u>
Mr. Husain Abdulla Husain Ahmed Husain	U.A.E.	51	153,000
Borosil Afrasia FZE	U.A.E.	<u>49</u>	<u>147,000</u>
		<u>100</u>	<u>300,000</u>

Auditors

A resolution to re-appoint **KSI Shah & Associates** as auditors and fix their remuneration will be put to the board at the annual general meeting.


Mr. Pradeep Kumar Kheruka
 Director



Independent Auditors' Report to the Shareholders of BOROSIL AFRASIA MIDDLE EAST TRADING LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **BOROSIL AFRASIA MIDDLE EAST TRADING LLC** (the "Company"), which comprises of the statement of financial position as at 31st March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, the financial statements present fairly, in all material respects the financial position of the company as of 31 March 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Matter of emphasis

Without qualifying our opinion, we draw attention to note 2(a) to the financial statements, which states that these financial statements have been prepared on a going concern basis. However, in view of the accumulated losses of AED 411,428/- and the deficit of AED 111,428/- in the equity funds, continuance of business as a going concern is dependent upon the company's ability to generate positive cash flows from its future operations and on the financial support from the shareholder.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises the directors' report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**Independent Auditors' Report to the Shareholders of
BOROSIL AFRASIA MIDDLE EAST TRADING LLC****Report on the Audit of the Financial Statements (contd.):**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Independent Auditors' Report to the Shareholders of
BOROSIL AFRASIA MIDDLE EAST TRADING LLC****Report on the Audit of the Financial Statements (contd.):**

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We further confirm that we have obtained all information and explanations necessary for our audit that proper books of account have been kept by the company, an inventory was duly carried out and the contents of the directors' report relating to these financial statements are in agreement with the books of account. To the best of our knowledge and belief no violations of the U.A.E. Commercial Companies Law No. 2 of 2015 or the Articles of Association of the company have occurred during the year, which would have had a material effect on the business of the company or on its financial position.


For KSI Shah & Associates
Dubai, U.A.E.

Signed by:
Sonal P. Shah (Registration No. 123)

3 May 2017



BOROSIL AFRASIA MIDDLE EAST TRADING LLC**Statement of Financial Position***At 31 March 2017*

	<i>Notes</i>	<i>2017 AED</i>	<i>2016 AED</i>
ASSETS			
Non-current assets			
Fixed assets	6	<u>1,593</u>	<u>34</u>
Current assets			
Inventories	7	249,964	219,540
Trade and other receivables	8	297,478	193,348
Prepayments		30,797	26,528
Cash and cash equivalents	9	<u>70,206</u>	<u>307,404</u>
		<u>648,445</u>	<u>746,820</u>
TOTAL ASSETS		<u>650,038</u>	<u>746,854</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	10	300,000	300,000
Accumulated losses		(411,428)	(208,482)
Equity funds		(111,428)	91,518
Shareholder's loan	12	<u>600,000</u>	<u>-</u>
Total Equity		<u>488,572</u>	<u>91,518</u>
Current liabilities			
Trade and other payables	13,15	<u>161,466</u>	<u>655,336</u>
TOTAL EQUITY AND LIABILITIES		<u>650,038</u>	<u>746,854</u>

The accompanying notes 1 to 19 form an integral part of these financial statements.

The Independent Auditors Report is set forth on page 2.

Approved by the shareholder on 3rd May, 2017 and signed by:

For BOROSIL AFRASIA MIDDLE EAST TRADING LLC

Pradeep
Mr. Pradeep Kumar Kheruka
 Director



BOROSIL AFRASIA MIDDLE EAST TRADING LLC

Statement of Comprehensive Income for the year ended 31 March 2017

		01 Apr. 2016 to 31 Mar. 2017 <u>AED</u>	21 Sept. 2015 to 31 Mar. 2016 <u>AED</u>
	<u>Notes</u>		
Sales		435,924	176,485
Cost of sales	14,15	<u>(322,276)</u>	<u>(178,324)</u>
Gross loss		113,648	(1,839)
Expenses		<u>(316,594)</u>	<u>(206,643)</u>
Loss for the year/period		(202,946)	(208,482)
Other comprehensive income		—	—
Total comprehensive income for the year/period		<u>(202,946)</u>	<u>(208,482)</u>

The accompanying notes 1 to 19 form an integral part of these financial statements.

BOROSIL AFRASIA MIDDLE EAST TRADING LLC

Statement of Changes in Equity *for the year ended 31 March 2017*

	<i>Share capital <u>AED</u></i>	<i>Accumulated losses <u>AED</u></i>	<i>Shareholder's loan <u>AED</u></i>	<i>Total <u>AED</u></i>
Share capital introduced	300,000	-	-	300,000
Loss for the period	<u>-</u>	<u>(208,482)</u>	<u>-</u>	<u>(208,482)</u>
As at 31 March 2016	300,000	(208,482)	-	91,518
Loss for the year	-	(202,946)	-	(202,946)
Changes during the year	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>
As at 31 March 2017	<u>300,000</u>	<u>(411,428)</u>	<u>600,000</u>	<u>488,572</u>

The accompanying notes 1 to 19 form an integral part of these financial statements.

BOROSIL AFRASIA MIDDLE EAST TRADING LLC

Statement of Cash Flows
for the year ended 31 March 2017

	<i>01 Apr. 2016 to 31 Mar. 2017 <u>AED</u></i>	<i>21 Sept. 2015 to 31 Mar. 2016 <u>AED</u></i>
<u>Cash flows from operating activities</u>		
Loss for the year/period	(202,946)	(208,482)
Adjustment for		
Depreciation	134	650
Operating loss before working capital changes	(202,812)	(207,832)
Changes in inventory	(30,424)	(219,540)
Changes in trade and other receivables and prepayments	(108,399)	(219,876)
Changes in trade and other payables	(493,870)	655,336
Net cash from/(used in) operating activities	<u>(835,505)</u>	<u>8,088</u>
<u>Cash flows from investing activities</u>		
Purchase of fixed assets	(1,693)	(684)
Net cash used in investing activities	<u>(1,693)</u>	<u>(684)</u>
<u>Cash flows from financing activities</u>		
Share capital introduced	-	300,000
Funds from shareholder's loan	600,000	-
Net cash from financing activities	<u>600,000</u>	<u>300,000</u>
Net changes in cash and cash equivalents	(237,198)	307,404
Cash and cash equivalents at the beginning of the year/period	<u>307,404</u>	<u>-</u>
Cash and cash equivalents at end of the year/period	<u>70,206</u>	<u>307,404</u>

The accompanying notes 1 to 19 form an integral part of these financial statements.

BOROSIL AFRASIA MIDDLE EAST TRADING LLC

(Incorporated in in the Emirate of Dubai)

(Registration No 119712)

Notes to the Financial Statements

for the year ended 31 March 2017

1. Legal status

- a) **BOROSIL AFRASIA MIDDLE EAST TRADING LLC** is a limited liability company registered in the emirate of Dubai, under commercial license No 742832 issued by the Department of Economic Development, Dubai, U.A.E. in accordance with the provision of Article 218 of the U.A.E. Commercial Companies Law No. 2 of 2015.
- b) The company is registered to carry out activity of general trading. However during the year, the company was mainly engaged in trading of consumer ware kitchen items.

2. Basis of preparation

a) Going concern

These financial statements are prepared on a going concern basis, which assumes that the company will continue to operate as a going concern for a foreseeable future. The statement of financial position shows that the accumulated losses as of the reporting date amounted to AED 411,428/- and there is a deficit of AED 111,428/-in the equity funds. The shareholder believes that the going concern basis of preparation is appropriate for the reason that the shareholder has agreed to continue with the operations and provide financial support enabling the company to meet its liabilities as and when they fall due.

b) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 January 2016 and the applicable requirements of the UAE Commercial Companies Law No. 2 of 2015.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

d) Functional and presentation currency

These financial statements are presented in U.A.E. Dirhams, which is the company's functional and presentation currency.

BOROSIL AFRASIA MIDDLE EAST TRADING LLC

Notes to the Financial Statements *for the year ended 31 March 2017*

3. Use of estimates and judgment

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgments made in applying accounting policies

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of fixed assets and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to Statement of Comprehensive Income or, if previously a provision was made, it is written off against the provision.

Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

Key sources of estimation uncertainty and assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty and assumptions at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Residual values of fixed assets

Residual values are assumed to be 5% of cost of fixed assets unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Estimated useful lives of fixed assets

Management determines the estimated useful lives and depreciation charge for its fixed assets at the time of addition of the assets and is reviewed on annual basis.

Inventory provision

Management regularly undertakes a review of the company's inventory, in order to assess the likely realization proceeds, taking in account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

BOROSIL AFRASIA MIDDLE EAST TRADING LLC

Notes to the Financial Statements *for the year ended 31 March 2017*

Doubtful debt provision

Management regularly undertakes a review of the amounts of loans and receivables owed to the company either from third parties or from related parties and assess the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of fixed assets and all financial assets other than loans and receivables are based on assumptions regarding future cash flows expected to be received from the related assets.

4. Adoption of new and revised International Financial Reporting Standards

a) New and revised International Financial Reporting Standards

The following International Financial Reporting Standards, amendments thereto and interpretations issued by IASB that became effective for the current reporting period and which are applicable to the company are as follows:

- IFRS 14 Regulatory Deferral Accounts
- Disclosure Initiative (Amendments to IAS 1)
- Clarification on acceptable methods of Depreciation and Amortization(Amendments to IAS 16 and IAS 38)
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- Investment Entities: Applying the Consolidation Exception (Amendment to IFRS 10, IFRS 12 and IAS 28)
- Accounting for acquisitions of Interest in Joint operations (Amendments to IFRS 11)
- Amendments to IAS 19 Employee Benefits
- Equity method in Separate Financial Statements (Amendments to IAS 27)
- Annual Improvements to IFRS 2012-2014 Cycle

During the current year, the management has adopted the above standards and amendments to the extent applicable to them from their effective dates.

These amendments have no significant impact on the amounts reported in these financial statements.

Their adoption has resulted in presentation and disclosure changes only.

b) International Financial Reporting Standards issued but not effective

IAS 7 – Disclosure initiatives – The effective date of the standard is set for annual periods beginning on or after 1 January 2017.

IAS 12 – Recognition of Deferred Tax Assets for Unrealized losses – The effective date of the standard is set for annual periods beginning on or after 1 January 2017.

BOROSIL AFRASIA MIDDLE EAST TRADING LLC

Notes to the Financial Statements

for the year ended 31 March 2017

International Financial Reporting Standards issued but not effective (contd.):

IFRS 9 – Financial Instruments (July 2014 version) This replaces the earlier IFRS 9 and is the final version – The effective date of the standard is set for annual periods beginning on or after 1 January 2018 with choice for early adoption. From February 2015 entities newly applying IFRS 9 will need to apply the version published in July 2014.

IFRS 15 – Revenue from contracts with customers – The effective date of the standard is set for annual periods beginning on or after 1 January 2018.

IFRS 16 – Leases – The effective date of the standard is set for annual periods beginning on or after 1 January 2019.

5. Significant accounting policies:

a) Depreciation of fixed assets

Minor fixed assets are depreciated by cost less 5% of residual value in the year of purchase.

b) Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

Financial Assets

Non derivative financial assets

Initial Recognition and Measurement

Financial assets are recognized on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial assets at initial recognition.

When financials assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

BOROSIL AFRASIA MIDDLE EAST TRADING LLC**Notes to the Financial Statements**
*for the year ended 31 March 2017****Subsequent Measurement***

The subsequent measurement of non - derivative financial assets depends on their classification as follows:

The company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, available-for-sale financial assets and loans and receivables.

During the year, the company has non-derivative financial assets in the form of loans and receivables only.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to the initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in income statement when the loans and receivables are derecognized or impaired, and through the amortization process.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

c) Inventories

Inventories are valued at lower of cost or net realisable value. Cost comprises of invoice value plus attributable direct expenses. Net realisable value is based on estimated selling price less any further costs expected to be incurred for disposal. Cost is calculated on weighted average method.

d) Trade and other receivables

Trade receivables are carried at the original invoice amount to the customers.

An estimate is made for doubtful receivables based on a periodic review of all outstanding amounts.

Bad debts are written off when identified.

BOROSIL AFRASIA MIDDLE EAST TRADING LLC**Notes to the Financial Statements**
*for the year ended 31 March 2017***e) Foreign currency transactions**

Transactions in foreign currencies are converted into U.A.E. Dirhams at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date. Resulting exchange gains/losses are taken to the statement of comprehensive income.

f) Impairment of financial assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Financial asset together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the company.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the financial assets carrying amount and the present value of estimated future cash flows.

For financial assets carried at amortized cost, the carrying amount is reduced through the use of an allowance account and the amount of the loss is recognized in the Statement of Comprehensive Income.

If a write-off is later recovered, the recovery is credited to the Statement of Comprehensive Income.

g) Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount.

Where the carrying amount of an asset or cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the Statement of Comprehensive Income in those expense categories consistent with the function of the impaired asset.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the Statement of Comprehensive Income.

h) Trade and other payables

Liabilities are recognized for amounts to be paid for goods or services received, whether invoiced by the supplier or not.

BOROSIL AFRASIA MIDDLE EAST TRADING LLC

Notes to the Financial Statements for the year ended 31 March 2017

i) Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

j) Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership and the lease payments are charged to the Statement of Comprehensive Income on a straight line basis over the period of lease.

The Company as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

k) Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

l) Revenue recognition

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied.

- ✚ the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ✚ the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- ✚ the amount of revenue can be measured reliably;
- ✚ it is probable that the economic benefits associated with the transaction will flow to the company; and
- ✚ the costs incurred or to be incurred in respect of the transaction can be measured reliably.

BOROSIL AFRASIA MIDDLE EAST TRADING LLC

Notes to the Financial Statements for the year ended 31 March 2017

m) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

6. Fixed assets

	<i>Equipment</i> <i>AED</i>	<i>Furniture</i> <i>AED</i>	<i>Total</i> <i>AED</i>
Cost			
As at 01.04.2016	284	400	684
Purchased during the year	<u>1,693</u>	<u>-</u>	<u>1,693</u>
As at 31.03.2017	<u>1,977</u>	<u>400</u>	<u>2,377</u>
Depreciation			
As at 01.04.2016	270	380	650
Charge for the year	<u>134</u>	<u>-</u>	<u>134</u>
As at 31.03.2017	<u>404</u>	<u>380</u>	<u>784</u>
Net book value			
As at 31.03.2017	<u>1,573</u>	<u>20</u>	<u>1,593</u>
As at 31.03.2016	<u>14</u>	<u>20</u>	<u>34</u>
		<i>2017</i> <i>AED</i>	<i>2016</i> <i>AED</i>

7. Inventories

Consumerware kitchen items	^a <u>249,964</u>	<u>219,540</u>
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^aThe inventories amounting to AED 139,931/- are more than one year old. The management is of the opinion that these are marketable products and are expected to be sold at profit. Thus, no provision is presently deemed necessary.

8. Trade and other receivables

Trade receivables	293,478	189,348
Deposits	<u>4,000</u>	<u>4,000</u>
	<u>297,478</u>	<u>193,348</u>

9. Cash and cash equivalents

Bank balance in:		
Current account	<u>70,206</u>	<u>307,404</u>

BOROSIL AFRASIA MIDDLE EAST TRADING LLC

Notes to the Financial Statements for the year ended 31 March 2017

	<i>2017</i> <u>AED</u>	<i>2016</i> <u>AED</u>
10. Share capital		
Authorized, issued and subscribed capital		
100 shares of AED 3,000/- each	<u>300,000</u>	<u>300,000</u>
11. Statutory reserve		
Statutory reserve is created by allocating 10% of the net profit of the company as required by Article 255 of the UAE Commercial Companies Law No. 2 of 2015, as amended concerning Commercial Companies in the UAE. The company can discontinue such annual transfers when this reserve totals 50% of the paid up share capital. The reserve is not available for distribution except as provided in the Federal Law.		
12. Shareholder's loan		
This amount represents shareholder's loan balance of the shareholder, Borosil Afrasia FZE, U.A.E.		
	<i>2017</i> <u>AED</u>	<i>2016</i> <u>AED</u>
13. Trade and other payables		
Trade payables	31,737	411,055
Other payables	129,729	109,694
Short term loan	-	134,587
	<u>161,466</u>	<u>655,336</u>
14. Cost of sales		
Opening stock	219,540	-
Purchases	352,700	397,864
Closing stock	(249,964)	(219,540)
	<u>322,276</u>	<u>178,324</u>
15. Related party transactions		
For the purpose of these financial statements, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making party financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related party may be individuals or other entities.		

BOROSIL AFRASIA MIDDLE EAST TRADING LLC

Notes to the Financial Statements for the year ended 31 March 2017

Related party transactions (contd.):

The nature and amount of significant transactions during the year are as under:

	<i>Shareholder</i>	<i>Total</i>	<i>Total</i>
	<i>AED</i>	<i>2017</i>	<i>2016</i>
	<u><i>AED</i></u>	<u><i>AED</i></u>	<u><i>AED</i></u>
Purchases- Borosil Afrasia FZE	352,700	352,700	397,864

The company also provides funds to/receives funds from related parties as and when required to meet working capital requirements free of interest charge.

At the reporting date balances with a related party was as follows:

	<i>Shareholder</i>	<i>Total</i>	<i>Total</i>
	<i>AED</i>	<i>2017</i>	<i>2016</i>
	<u><i>AED</i></u>	<u><i>AED</i></u>	<u><i>AED</i></u>
Borosil Afrasia FZE			
Included in current liabilities:			
Trade payables	19,459	19,459	397,864

16. Financial instruments: Credit, Market risk and liquidity risk exposures

The company has exposure to the following risks from its use financial instruments:

- a) Credit risk
- b) Market risk
- c) Liquidity risk

a) Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally of bank balances and trade and other receivables

Trade and other receivables

As at the reporting date, the company's maximum exposure to credit risk from significant trade receivable situated within U.A.E. amounted to AED 264,180/- due from three customers (*previous year AED 153,750/- from a customer*).

There is no significant concentration of credit risk from trade receivables outside U.A.E. and outside the industry in which the company operates.

BOROSIL AFRASIA MIDDLE EAST TRADING LLC

Notes to the Financial Statements *for the year ended 31 March 2017*

Bank balance

The company's bank balance in a current account is placed with high credit quality financial institution.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as exchange rate risk, interest rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments.

Interest rate risk

Since the company does not have any deposits or borrowings, interest rate risk is minimum.

Exchange rate risk

There is no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which U.A.E. Dirham is fixed.

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the owners and the management who ensure that sufficient funds are made available to the company to meet any future commitments.

17. Financial instruments: Fair value

Financial instruments comprise of financial assets and financial liabilities. The fair value of the company's financial assets comprising of trade receivables and bank balance and financial liabilities comprising of trade payable, due to a related party and other payables approximate to their carrying values.

18. Contingent liability

There was no contingent liability of a significant amount outstanding as at the reporting date.

19. Comparative figures

- a) Previous period figures have been regrouped/ reclassified wherever necessary to conform to the presentation adopted in the current year.
- b) Previous period figures are for 7 months and hence are not comparable with those of current year.