BOROSIL AFRASIA FZE

Financial Statements

31 March 2018

Registered office:

Office No. B34BS33WS309
Jebel Ali
Dubai, U.A.E.

BOROSIL AFRASIA FZE

Financial Statements
31 March 2018

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BOROSIL AFRASIA FZE
Director's Report

The director submits his report and financial statements for the financial year ended 31 March 2018.

Results

Loss for the year amounted to AED 326,106/-.

Review of the business

The company is registered for trading in solar energy systems and components, scientific and laboratory equipment, ceramic and chinaware, housewares and utensils, glass bottles, domestic kitchen and fixture, novelties, plastic bags and containers and cutlery and silverware.

Events since the end of the year

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

Shareholder and its interest

The shareholder at 31 March 2018 and its interest as at that date in the share capital of the company was as follows:

Name	*Country of Incorporation*	*No. of shares*	*AED*
Borosil Glass Works Limited	India	3	3,000,000

Auditors

A resolution to appoint **KSI Shah and 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 Shareholder of BOROSIL AFRASIA FZE

Report on the Financial Statements

We have audited the accompanying financial statements of **BOROSIL AFRASIA FZE,** (the "Company"), which comprise of the statement of financial position as of 31 March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year and 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 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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.

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.

Independent Auditors' Report to the Shareholder of BOROSIL AFRASIA FZE

Report on the Audit of the Financial Statements (contd.)

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.
- 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.

Independent Auditors' Report to the Shareholder of BOROSIL AFRASIA FZE

Report on the Audit of the Financial Statements (contd.)

- 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 and that proper financial records have been maintained by the company in accordance with and with Implementing Regulation No. 1/99 issued by the Jebel Ali Free Zone Authority pursuant to Law No. 2 of 1986. To the best of our knowledge and belief no violations of said regulations have occurred which would have had a material effect on the business of the company or on its financial position.

KSI Shah & Associates

For KSI Shah & Associates
Dubai, U.A.E.
Signed by:
Sonal P. Shah (Registration No. 123)

كي اس أي شاه و مشاركوه
P.O. Box 71241
Dubai - U.A.E.
KSI SHAH & ASSOCIATES

18 May 2018

BOROSIL AFRASIA FZE

Statement of Financial Position
At 31 March 2018

	Notes	2018 AED	2017 AED
ASSETS			
Non-current assets			
Fixed Assets	7	1,333	-
Investments in a subsidiary	6	300,000	300,000
		301,333	**300,000**
Current assets			
Inventories	8	-	265,192
Trade and other receivables	9	553,266	657,934
Prepayments		36,153	32,584
Cash and cash equivalents	10	849,676	868,086
		1,439,095	**1,823,796**
TOTAL ASSETS		**1,740,428**	**2,123,796**
EQUITY AND LIABILITIES			
Equity			
Share capital	11	3,000,000	3,000,000
Accumulated losses		(1,298,932)	(972,826)
Total equity		**1,701,068**	**2,027,174**
Non-current liabilities			
Staff end of service gratuity		-	**31,333**
Current liabilities			
Trade and other payable	12	**39,360**	**65,289**
TOTAL EQUITY AND LIABILITIES		**1,740,428**	**2,123,796**

The accompanying notes 1 to 19 form an integral part of these financial statements.
The Independent Auditors' Report is set forth on page 2 to 4.
Approved by the shareholder on 18 May 2018 and signed on its behalf by:

For BOROSIL AFRASIA FZE

P Kheruka

Mr. Pradeep Kumar Kheruka
Director of the company and
Representing
Borosil Glass Works Limited, *India*

BOROSIL AFRASIA FZE

Statement of Comprehensive Income
for the year ended 31 March 2018

	Note	2018 AED	2017 AED
Revenue		**240,296**	**422,697**
Cost of sales	13,15	(265,192)	(323,155)
Gross (loss)/profit		**(24,896)**	**99,542**
Expenses	14	(301,210)	(436,401)
Loss for the year		**(326,106)**	**(336,859)**
Other comprehensive income		-	-
Total comprehensive income for the year		**(326,106)**	**(336,859)**

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

BOROSIL AFRASIA FZE

Statement of Changes in Equity
for the year ended 31 March 2018

	Share capital *AED*	*Accumulated Losses* *AED*	*Total* *AED*
As at 31 March 2016	**2,000,000**	**(635,967)**	**1,364,033**
Additional capital	1,000,000	-	1,000,000
Loss for the year	-	(336,859)	(336,859)
As at 31 March 2017	**3,000,000**	**(972,826)**	**2,027,174**
Additional capital	-	-	-
Loss for the year	-	(326,106)	(326,106)
As at 31 March 2018	**3,000,000**	**(1,298,932)**	**1,701,068**

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

BOROSIL AFRASIA FZE

Statement of Cash Flows
for the year ended 31 March 2018

	Note	2018 AED	2017 AED
Cash flows from operating activities			
Loss for the year		(326,106)	(336,859)
Depreciation		1,938	-
Operating (loss) before working capital changes		**(324,168)**	**(336,859)**
Changes in inventories		265,192	236,172
Changes in trade and other receivables and prepayments		(272,939)	517,612
Changes in trade and other payables		(25,929)	(89,241)
Net cash from /(used in) operations		**(357,844)**	**327,684**
Staff end of service gratuity paid		(31,333)	-
Net cash from/(used in) operating activities		**(389,177)**	**327,684**
Cash flows from investing activities			
Purchase of fixed assets		(3,271)	-
Net cash from (used in) investing activities		**(3,271)**	**-**
Cash flows from financing activities			
Changes in due from a subsidiary		374,038	(600,000)
Changes in share capital		-	1,000,000
Net cash from/(used in) financing activities		**374,038**	**400,000**
Net (decrease)/increase in cash and cash equivalents		**(18,410)**	**727,684**
Cash and cash equivalents at beginning of the year		**868,086**	**140,402**
Cash and cash equivalents at end of the year	10	**849,676**	**868,086**

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

BOROSIL AFRASIA FZE
(Incorporated in the Jebel Ali Free Zone)
(Registration No. 162847)

Notes to the Financial Statements
for the year ended 31 March 2018

1. Legal status

a) **BOROSIL AFRASIA FZE** ("The Company") is a free zone limited liability establishment, incorporated with Jebel Ali Free Zone, United Arab Emirates, under the trading license number 140740 issued on 9 January 2014.

b) The company is registered for trading in solar energy systems and components, scientific and laboratory equipment, ceramic and chinaware, housewares and utensils, glass bottles, domestic kitchen and fixture, novelties, plastic bags and containers and cutlery and silverware.

c) These financial statements relate to the company only on a stand-alone basis. The financial statements of a subsidiary company are not included in these financial statements as the consolidated financial statements for the group are prepared separately.

2. Basis of preparation

a) 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 period beginning on or after 1 January 2017 and the implementing rules and regulations of the Jebel Ali Free Zone Authorities.

b) Basis of measurement

The financial statements have been prepared on the historical cost. 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.

c) 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 FZE

Notes to the Financial Statements
for the year ended 31 March 2018

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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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 investment in subsidiary, investment properties, investment in securities 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.

Classification of investments

Management designates at the time of acquisition of securities whether these should be classified as at fair value or amortized cost. In judging whether investments in securities are classified as at fair value or amortized cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 Financial Instruments.

Classification of investment as a subsidiary

The company has classified its 49 % investment in Borosil Afrasia Middle East Trading LLC, a limited liability company, as its' subsidiary, considering all relevant circumstances, the management is of the opinion that it is in a position to control the investee company, Borosil Afrasia Middle East Trading LLC.

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.

BOROSIL AFRASIA FZE

Notes to the Financial Statements
for the year ended 31 March 2018

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.

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 all financial assets other than loans and receivables (see above) 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:

- IAS 7 – Statement of Cash Flows-Disclosure Initiative Amendment
- IAS 12 – Recognition of Deferred Tax Assets for Unrealized losses
- Amendments to IFRS 12 as per annual improvements to IFRS standards 2014-16 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

Amendments to IFRS 2- Classification and Measurement of Share- based Payment Transactions- The effective date of the standard is set for annual periods beginning on or after 1 January 2018.

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Notes to the Financial Statements
for the year ended 31 March 2018

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.

IFRS17 -Insurance Contracts The effective date of the standard is set for annual periods beginning on or after 1 January 2021.

Amendment to IAS 28 (long term interest in Associates and Joint Ventures The effective date of the standard is set for annual periods beginning on or after 1 January 2019.

Amendments to IAS 40 – Transfer of Investment Property- The effective date of the standard is set for annual periods beginning on or after 1 January 2018.

Amendments to IFRSs- Annual improvements to IFRS Standards 2014-16 Cycle

IFRIC22- Foreign Currency Transactions and Advance Consideration- The effective date of the standard is set for annual periods beginning on or after 1 January 2018.

IFRIC23-uncertainty of Income Tax Position- 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) Investment in subsidiary

Subsidiary is an entity (investee) which is controlled by another entity (the Parent or the Investor). The control is based on whether,
a) The Investor has power over the investee
b) It is exposed to rights of variable returns and
c) It has the ability to use its power to affect the amount of the returns.

The purchase method of accounting is used to account for the acquisition of subsidiary. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill.

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Notes to the Financial Statements
for the year ended 31 March 2018

c) Investment in subsidiary

Investment in subsidiary is stated at cost less provision for impairment if any.
Income from investment in subsidiary is accounted only to the extent of receipt of distribution of accumulated net profits of subsidiary. Distributions received in excess of such profits are considered as a recovery of investments and are recorded as a reduction of the cost of investments.

d) 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.

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 statement of comprehensive income when the loans and receivables are derecognized or impaired, and through the amortization process.

BOROSIL AFRASIA FZE

Notes to the Financial Statements
for the year ended 31 March 2018

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

e) 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.

f) 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.

g) 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.

h) 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 amortised 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.

BOROSIL AFRASIA FZE

Notes to the Financial Statements
for the year ended 31 March 2018

i) 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.

j) Trade and other payables

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

k) 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.

l) Staff end of service gratuity

Provision is made for end-of-service gratuity payable to the staff, subject to the completion of a minimum service period, at the reporting date in accordance with the local labour laws.

m) 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.

n) 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.

BOROSIL AFRASIA FZE

Notes to the Financial Statements
for the year ended 31 March 2018

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.

o) Revenue recognition

Sales of goods

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.

p) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of cash on hand, bank 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. Investment in a subsidiary

	2018 AED	2017 AED
Borosil Afrasia Middle East Trading LLC, U.A.E. [a] 100 Equity shares of AED 3,000/- each	300,000	300,000

[a] *The company holds 49% share in a subsidiary company, Borosil Afrasia Middle East Trading L.L.C. However 100% of the beneficial ownership vests with the company.*

BOROSIL AFRASIA FZE

Notes to the Financial Statements
for the year ended 31 March 2018

7. Fixed assets

	Equipment *AED*	*Furniture* *AED*	*Total* *AED*
Cost			
Purchased during the year	2,000	-	2,000
Transfer form subsidiary	1,251	20	1,271
As at 31.03.2018	**3,251**	**20**	**3,271**
Depreciation			
Charge for the year	1,938	-	1,938
As at 31.03.2018	**1,938**	**-**	**1,938**
Net book value			
As at 31.03.2018	**1,313**	**20**	**1,333**
As at 31.03.2017	-	-	-

8. Inventories

	2018 *AED*	*2017* *AED*
Consumer ware kitchen items	-	265,192

9. Trade and other receivables

Trade receivables *(refer note 15)*	275,856	19,459
Deposits	44,524	38,475
Other receivables	6,924	-
Due from a subsidiary *(refer note 15)*	225,962	600,000
	553,266	**657,934**

10. Cash and cash equivalents

Bank balance in:		
Current account	**849,676**	**868,086**

11. Share capital

3 shares of AED 1,000,000/- each	**3,000,000**	**3,000,000**

BOROSIL AFRASIA FZE

Notes to the Financial Statements
for the year ended 31 March 2018

12. Trade and other payables

	2018 AED	2017 AED
Trade payables *(refer note 15)*	3,954	16,743
Other payables	35,406	48,546
	39,360	**65,289**

13. Cost of sales

	2018 AED	2017 AED
Opening inventory	265,192	501,364
Purchases *(refer note 15)*	-	86,983
Closing inventory	-	(265,192)
	265,192	**323,155**

14. Expenses

	2018 AED	2017 AED
Salaries	156,494	287,907
Rent	29,942	30,337
Other administrative expenses	112,836	118,157
Depreciation	1,938	-
	301,210	**436,401**

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.

The nature of significant related party transactions and the amounts involved are as under:

	Subsidiary AED	*Shareholder AED*	*Total 2018 AED*	*Total 2017 AED*
Purchases	-	-	-	20,757
Sales	38,163	-	38,163	352,700
Royalty- administrative expenses	-	635	635	3,109
Transfer of Fixed assets	1,271	-	1,271	-
Transfer of trade and other receivable	402,849	-	402,849	-
Transfer of trade and other payable	30,083	-	30,083	-

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

BOROSIL AFRASIA FZE

Notes to the Financial Statements
for the year ended 31 March 2018

Related party transactions (contd.)

At the reporting date, balances with related parties were as follows:

	Subsidiary *AED*	*Shareholder* *AED*	*Total 2018* *AED*	*Total 2017* *AED*
Included under trade receivables	-	-	-	19,459
Included under due from a subsidiary	225,962	-	225,962	600,000
Included under trade payables	-	-	-	73

16. Financial instruments

The company has exposure to the following risks from its 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 trade receivables situated within U.A.E. amounted to AED 275,231/- due from a customer *(previous year AED 19,459/- due from subsidiary).*

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

Bank balance

The company's bank balance in 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.

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Notes to the Financial Statements
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Interest rate risk

In absence of bank 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 US Dollars or U.A.E. Dirham to which US Dollars is fixed.

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

The fair values of the company's financial assets comprising trade and other receivables and bank balances and financial liabilities comprising of trade 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

Previous year's figures have been regrouped/ reclassified wherever necessary to conform to the presentation adopted in the current year.