BOROSIL AFRASIA FZE

Financial Statements

31 March 2015

Registered office:

Office No. LB 06112
Jebel Ali
Dubai, U.A.E.

BOROSIL AFRASIA FZE

Financial Statements
31 March 2015

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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 2015.

Result

Loss for the year amounted to AED 226,034/-.

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 2015 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	1	1,000,000

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.

Pradeep Kheruka
Director

KSI SHAH & ASSOCIATES كى اس اي شاه و مشاركوه
Chartered Accountants محاسبون قانونيون
KS International

Tel.: 04-3325657, Fax: 04-3325667 - Suite 1003, Al Manal Tower, Sh. Zayed Road, P.O. Box: 71241, Dubai - U.A.E., www.ksisna.com

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**, which comprise of the statement of financial position as of 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

Auditors' responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply ethical requirements and plan and perform the audit to obtain reasonable assurance 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 risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:
In our opinion, the financial statements present fairly, in all material respects the financial position of **BOROSIL AFRASIA FZE** as of 31 March 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

KSI Shah & Associates

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

P.O. Box 71241
Dubai - U.A.E.
KSI SHAH & ASSOCIATES

4 May 2015

BOROSIL AFRASIA FZE

Statement of Financial Position
At 31 March 2015

	Notes	2015 AED	2014 AED
ASSETS			
Current assets			
Inventory	6	305,235	-
Trade and other receivables	7	94,012	5,676
Prepayments		49,705	41,170
Cash and bank balances	8	414,001	914,544
		862,953	**961,390**
TOTAL ASSETS		**862,953**	**961,390**
EQUITY AND LIABILITIES			
Equity			
Share capital	9	1,000,000	1,000,000
Accumulated losses		(327,428)	(101,394)
Total equity		**672,572**	**898,606**
Current liability			
Trade and other payable	10	**190,381**	**62,784**
TOTAL EQUITY AND LIABILITIES		**862,953**	**961,390**

The accompanying notes 1 to 18 form an integral part of these financial statements.
The Independent Auditors' Report is set forth on page 2.
Approved by the shareholder on 4th May 2015 and signed on its behalf by:

For BOROSIL AFRASIA FZE

P Kheruka

Pradeep Kheruka
Director

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BOROSIL AFRASIA FZE

BOROSIL AFRASIA FZE

Statement of Comprehensive Income
for the year ended 31 March 2015

	Note	Year ended 31 March 2015 AED	9 Jan. 2014 to 31 Mar. 2014 (3 months) AED
Revenue		**54,846**	-
Cost of sales	11,13	(24,216)	-
Gross profit		**30,630**	-
Expenses	12	(263,468)	(101,394)
Loss from operations		**(232,838)**	**(101,394)**
Interest income from bank		6,804	-
Loss for the year/ period		**(226,034)**	**(101,394)**
Other comprehensive income		-	-
Total comprehensive income for the year/period		**(226,034)**	**(101,394)**

The accompanying notes 1 to 18 form an integral part of these financial statements.

BOROSIL AFRASIA FZE

Statement of Changes in Equity
for the year ended 31 March 2015

	Share capital *AED*	*Accumulated Losses* *AED*	*Total* *AED*
Share capital introduced	**1,000,000**	**-**	**1,000,000**
Loss for the period	-	(101,394)	(101,394)
As at 31 March 2014	**1,000,000**	**(101,394)**	**898,606**
Loss for the year	-	(226,034)	(226,034)
As at 31 March 2015	**1,000,000**	**(327,428)**	**672,572**

The accompanying notes 1 to 18 form an integral part of these financial statements.

BOROSIL AFRASIA FZE

Statement of Cash Flows
for the year ended 31 March 2015

	Note	Year ended 31 March 2015 AED	9 Jan. 2014 to 31 Mar. 2014 (3 months) AED
Cash flows from operating activities			
Loss for the year/period		(226,034)	(101,394)
Operating (loss) before working capital changes		**(226,034)**	**(101,394)**
Changes in inventory		(305,235)	-
Changes in trade and other receivables		(96,871)	(46,846)
Changes in trade and other payables		127,597	62,784
Net cash (used in) operating activities		**(500,543)**	**(85,456)**
Cash flows from investing activities			
Changes in fixed deposits		(405,529)	-
		(405,529)	-
Cash flows from financing activities			
Share capital introduced		-	1,000,000
Net cash from financing activities		**-**	**1,000,000**
Net (decrease)/increase in cash and cash equivalents		**(906,072)**	914,544
Cash and cash equivalents at beginning of the year/period		**914,544**	-
Cash and cash equivalents at end of the year/period	**14**	**8,472**	**914,544**

The accompanying notes 1 to 18 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 2015

1. Legal status

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

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 2014 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.

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.

BOROSIL AFRASIA FZE

Notes to the Financial Statements

for the year ended 31 March 2015

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 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.

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.

BOROSIL AFRASIA FZE

Notes to the Financial Statements
for the year ended 31 March 2015

4. Adoption of new and revised International Financial Reporting Standard

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:

- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
- Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

During the current year, the management has adopted the above standards and amendments to the extent applicable to them from their effective dates. There are no significant impacts on adoption of these standards, amendments and interpretations.

Their adoption has resulted in presentation and disclosure changes only.

b) International Financial Reporting Standards issued in 2014 but not effective

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.

IFRS14 – Regulatory Deferral Accounts – The effective date of the standard is set for annual periods beginning on or after 1 January 2016.

IFRS 15 – Revenue from contracts with customers – The effective date of the standard is set for annual periods beginning on or after 1 January 2017.

The company has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

5. Significant accounting policies

a) Depreciation of fixed assets:
Minor purchases of fixed assets are depreciated fully 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.

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Notes to the Financial Statements
for the year ended 31 March 2015

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.

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.

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.

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Notes to the Financial Statements
for the year ended 31 March 2015

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.

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 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.

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.

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Notes to the Financial Statements
for the year ended 31 March 2015

Impairment of non-financial assets *(contd.)*:

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.

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.

j) 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.

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) 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.

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Notes to the Financial Statements
for the year ended 31 March 2015

m) 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.

n) 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.

	2015 AED	2014 AED
6. Inventory		
Consumerware kitchen items	305,235	-
7. Trade and other receivables		
Trade receivables	54,846	-
Deposits	36,015	5,376
Other receivables	3,151	-
	94,012	5,376
8. Cash and bank balances		
Bank balances in:		
Current account	8,472	914,544
Fixed deposit	405,529	-
	414,001	914,544
9. Share capital		
1 share of AED 1,000,000/- each	1,000,000	1,000,000

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Notes to the Financial Statements
for the year ended 31 March 2015

	2015 AED	2014 AED
10. Trade and other payables		
Trade payables	181,245	-
Other payables	9,136	62,784
	190,381	**62,784**

11. Cost of sales

Cost of sales includes purchase of consumerware kitchen items and other direct expenses.

	Year ended 31 March 2015 AED	9 Jan. 2014 to 31 Mar. 2014 (3 months) AED
12. Expenses		
Salaries	86,486	51,000
Rent	56,102	12,690
Other administrative expenses	120,880	37,704
	263,468	**101,394**

13. 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:

	Parent Company	2015 AED	2014 AED
Purchases	164,208	164,208	-

	2015 AED	2014 AED
14. Cash and cash equivalent		
Bank balances in:		
Current account	**8,472**	**914,544**

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Notes to the Financial Statements
for the year ended 31 March 2015

15. 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 54,846/- due from three customers *(previous period nil).*

As at the reporting date, the company's maximum exposure to credit risk from trade receivables situated outside U.A.E. amounted to nil. *(Previous period nil).*

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

Bank balances
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.

Interest rate risk
In absence of bank borrowings, interest rate risk is minimum.

Exchange rate risk
Except for the following balances, there are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the U.A.E. Dirham is fixed.

	Equivalent 2015 AED	*Equivalent 2014 AED*
Foreign currency financial liabilities:		
Euro (Trade payables)	68,649	-
INR(Trade payables)	13,241	-

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Notes to the Financial Statements
for the year ended 31 March 2015

Exchange rate risk

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all other variable held constant, of the company's profit for the year.

		% change in exchange rate	Impact on income statement AED
EUR	2015	± 5	± 3,432
INR	2015	± 1	± 132

± 5% and ± 1% change is considered for the AED/ EUR and AED/INR exchange rates respectively and has been determined based upon the average market volatility in exchange rates in the previous 12 months.

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.

16. 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 and other receivables and bank balances and financial liabilities comprising of trade and other payables approximate to their carrying values.

17. Contingent liability

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

18. 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's figures were for a period of 3 months and hence these are not comparable with those in the current year.