

ATUL MIDDLE EAST FZ-LLC
DUBAI, UAE
AUDITORS' REPORT & FINANCIAL STATEMENTS
MARCH 31, 2016



عبدالرحمن كرمستجي لتدقيق الحسابات
Abdul Rahman Karmustaji Auditing

ATUL MIDDLE EAST FZ-LLC
DUBAI, UAE
AUDITORS' REPORT & FINANCIAL STATEMENTS
MARCH 31, 2016



ATUL MIDDLE EAST FZ-LLC
DUBAI, UAE
INDEX TO THE FINANCIAL STATEMENTS

	Pages
Board of Directors, Others Officers and Status	1
Report of the Directors'	2-3
Report of the Independent Auditors	4-5
Statement of Financial Position	6
Statement of Profit or Loss & Other Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Changes in cash Flows	9
Schedules attached to the Financial Statements	10-16

Ref:ARK/197/2016



ATUL MIDDLE EAST FZ-LLC
Dubai, UAE
Board of Directors, Other Officers and Status

Board of Directors : Mr. Bharathy Narayanan Mohanan
Mr. Ajitsingh Batra

Shareholder : M/S. Atul Limited (India)

Legal Status : Limited Liability

Registered Office : Dubai Science Park, Shared Desk 2 - 43
Floor:03, Building;
DSP Laboratory Complex
Dubai, UAE.

Principal Banker : Bank of Baroda

The Auditors : Abdul Rahman Karmustaji Auditing
P.O. Box 124671
Flat No. 103, RAK Business Centre Building,
Gold Souq, Deira
Dubai, UAE



ATUL MIDDLE EAST FZ-LLC

Dubai, UAE

Report of the Directors'

The Management has pleasure in presenting this report together with the audited financial statements of the company for the period ended March 31, 2016.

Legal Status

"ATUL MIDDLE EAST FZ-LLC" is a limited liability company incorporated under Dubai Technology and Media Free Zone Authority, Dubai, United Arab Emirates under the provisions of Dubai Technology and Media Free Zone Private Companies Regulations 2003 Issued under Law No. 1 of 2000.

Principal Activities

The Principal Activities of the Company are Agricultural, Forestry, Horticulture, Import and Re-Export, Marketing and Sales Promotion, Research & Development, Storage and Support Service.

Results of Operation

Net Loss for the period of the company was AED (76,594).

Directors' Responsibility

The Directors are 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.

The responsibility of the Directors are keeping proper financial records in line with laws, rules and regulations of Dubai Technology and Media Free Zone Authority, for taking reasonable steps to safeguard the assets of the entity and to prevent and detect fraud and other irregularities.

Risk Management

The Company is committed to pursuing the process of identifying risk factors, closely monitoring & analyzing the risks and take decisions to mitigate the risks with the aim of ensuring continuance of business operations and growth to make value addition to the shareholder's equity. The risk management policy identifies, assesses, manages and reports risks on a continuous basis. The Management consider the key risk areas to be credit risk, market risk and liquidity risk.

Events after the reporting period

There were no transactions or event of a material nature after the reporting period, which is likely to affect, substantially the result of the operations or the financial position of the company.

Going Concern

The attached financial statements have been prepared on the going concern basis. While preparing the financial statements the management has made an assessment of the Company's ability to continue as a going concern. The management has not come across any evidence that causes the management to believe that material uncertainties related to the events or conditions existed, which may cause significant doubt on the company's ability to continue as a going concern.

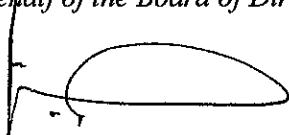


ATUL MIDDLE EAST FZ-LLC
Dubai, UAE
Report of the Directors' (continued)

Auditors

The independent auditors, Abdul Rahman Karmustaji Auditing, Dubai, UAE have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

On behalf of the Board of Directors



Director

ATUL MIDDLE EAST FZ-LLC



INDEPENDENT AUDITORS' REPORT

TO THE SHARE HOLDERS OF ATUL MIDDLE EAST FZ-LLC, UAE

Report on the financial statements

We have audited the accompanying financial statements of **ATUL MIDDLE EAST FZ-LLC**, Dubai, UAE which comprise the statement of financial position as of March 31, 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the period then ended, a summary of significant accounting policies and other explanatory notes related to the financial statements, set out on pages 6 to 16.

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 (IFRSs) and with the applicable provisions of Dubai Technology and Media Free Zone Private Companies Regulations 2003 Issued under Law No. 1 of 2000. 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 circumstances.

Auditor's 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 with 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a fair view, in all material respects, of the financial position of **ATUL MIDDLE EAST FZ-LLC**, UAE as of March 31, 2016 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

: 4 :

Independent Auditors' Report (continued...)

Report on other legal and regulatory requirements

In accordance with the requirement of UAE and the Dubai Technology and Media Free Zone Authority law, we confirm that;

- i) the establishment has maintained proper books of accounts;
- ii) we have obtained all the information and explanations necessary for our audit;
- iii) according to the information available to us, there were no contraventions during the period of the above mentioned law or the establishment's Articles of Association which might have material effect on the financial position of the establishment or the results of its operations for the period.

Respectfully,

Abdul Rahman Karmustaji Auditing

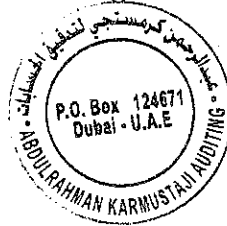
Reg. No. 788



Authorized Signatory

Dubai, UAE

April 19, 2016



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ATUL MIDDLE EAST FZ-LLC
Dubai, UAE
Statement of Financial Position as at March 31, 2016


		31-03-2016
		AED
ASSETS :	Note	
CURRENT ASSETS		
Accounts and Other Receivables	8	528,997
Bank Balance	9	177,584
TOTAL ASSETS		<u><u>706,581</u></u>
 EQUITY & LIABILITIES :		
OWNERS' EQUITY		
Capital Account	10	300,000
Current Account	11	2,122
Accumulated Loss		(76,594)
		<u>225,528</u>
 CURRENT LIABILITIES		
Due to Related Party	12	475,803
Accounts and Other Payable	13	5,250
		<u>481,053</u>
TOTAL EQUITY & LIABILITIES		<u><u>706,581</u></u>

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

The Report of the Auditors is set out on pages 4 & 5.

These financial statements on pages 6 to 16 were approved by the Director on April 19, 2016 and signed by:

FOR ATUL MIDDLE EAST FZ-LLC


 Director



ATUL MIDDLE EAST FZ-LLC
Dubai, UAE
Statement of Profit or Loss and Other Comprehensive Income
For the period from March 18, 2015 to March 31, 2016

	Note	31-03-2016 AED
Revenue	14	684,368
Cost of Sales	15	<u>(684,368)</u>
Gross Profit		Nil
Other income		7,982
General & Administration Expenses	16	<u>(84,576)</u>
Net Profit/(Loss) for the period		(76,594)
Other comprehensive income		Nil
Total Comprehensive Income / (Loss) for the period		<u>(76,594)</u>

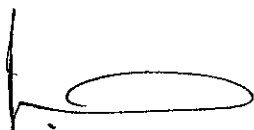
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FOR ATUL MIDDLE EAST FZ-LLC

Director




ATUL MIDDLE EAST FZ-LLC
Dubai, UAE
Statement of Changes in Equity
For the period from March 18, 2015 to March 31, 2016

	<i>(Amount in AED)</i>			
	Share Capital	Current Account	Accumulated Loss	Total
Share Capital introduced	300,000	Nil	Nil	300,000
Net movements during the preiod	Nil	2,122	Nil	2,122
Total comprehensive income/(loss) for the period	Nil	Nil	(76,594)	(76,594)
Balance as at March 31, 2016	<u>300,000</u>	<u>2,122</u>	<u>(76,594)</u>	<u>225,528</u>

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

The Report of the Auditors is set out on pages 4 & 5.



ATUL MIDDLE EAST FZ-LLC
Dubai, UAE
Statement of Cash Flows
For the period from March 18, 2015 to March 31, 2016

	31-03-2016
	AED
Operating Activities	
Total Comprehensive income/(loss) for the period	(76,594)
<i>Adjustments for:</i>	Nil
Operating (Loss) before Working Capital Changes	(76,594)
(Increase)/Decrease in Accounts and Other Receivables	(528,997)
Increase/(Decrease) in Due to Related Party	475,803
Increase/(Decrease) in Accounts and Other Payable	5,250
Net Cash used from Operating Activities	(124,538)
Financing Activities	
Share Capital introduced	300,000
Net Movements in Shareholders' Current Account	2,122
Net Cash generated from Financing Activities	302,122
Net increase/(decrease) in cash and cash equivalents	177,584
Cash and cash equivalents at the beginning of the period	Nil
Cash and cash equivalents at the end of the period	177,584
 <u>Cash and Cash equivalents represented by:</u>	
<i>Cash at Bank</i>	177,584
	177,584

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

The Report of the Auditors is set out on pages 4 & 5.



ATUL MIDDLE EAST FZ-LLC

Dubai, UAE

Notes to the Financial Statements

For the period from March 18, 2015 to March 31, 2016

1. Company and Operations

"ATUL MIDDLE EAST FZ-LLC" is a limited liability company incorporated under the Dubai Technology and Media Free Zone Private Companies Regulations 2003 Issued under Law No. 1 of 2000.

The company was incorporated on March 18, 2015 under the Commercial License No. - 92839 The registered address of the company is Dubai Science Park, Shared Desk 2 - 43, Floor:03, Building; DSP Laboratory Complex , Dubai, UAE.

2. Management

The management and control of the company is vested with Mr. Bharathy Narayanan Mohanan (Indian National), the Director and the Manager of the Company.

3. Share Capital

The authorized, issued and paid up capital of the company is AED 300,000 divided into 300 shares of AED 1,000 each. The details of shareholding as on the date of statement of financial position are as follows:

<u>Name of the Shareholder</u>	<u>Nationality</u>	<u>Shareholding</u>	<u>Value of Shares (AED)</u>
a) M/S. Atul Limited	India	100%	300,000
		100%	300,000

The Principal Activities of the Company are Agricultural, Forestry, Horticulture, Import and Re-Export, Marketing and Sales Promotion, Research & Development, Storage and Support Service.

4. Reporting period

These financial statements cover the period from March 18, 2015 to March 31, 2016. (First period of audit).

5. Basis of Preparation

5.1 Statement of Compliance

The financial statements of the company have been prepared under historical cost convention and in accordance with International Financial Reporting Standards (IFRSs), which includes International Accounting Standards (IAS) and its Interpretations and the implementing rules and regulations of Dubai Technology and Media Free Zone Authority.

5.2 Basis of measurement

The financial statements have been prepared on the historical cost as described in the accounting policies as below. Historical cost is generally based on the fair value of the consideration given in exchange of assets.



ATUL MIDDLE EAST FZ-LLC

Dubai, UAE

Notes to the Financial Statements (continued)

For the period from March 18, 2015 to March 31, 2016

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 liability, the company takes into account the characteristics of the asset or liability if market participants would state those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety as described below:

- * Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- * Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly: and
- * Level 3 inputs are unobservable inputs for the assets or liability.

5.3 Reporting currency

These financial statements are expressed in UAE Dirham (AED), rounded off to the nearest Dirham which is the company's functional and presentation currency.

6. Adoption of new and revised International Financial Reporting Standards (IFRSs):

(1) Standards and Interpretations effective in the current period.

In the current period, the company has adopted the following new and revised standards, Amendments and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC) of the IASB that are relevant to its operations and effective from the beginning of the annual reporting periods. The application of these new and revised IFRSs has not had any material impact on amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

Summary of requirements of New and Revised Standards

a. IAS - 19 : Defined Benefit Plans: Employee contributions.

Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognized as a reduction in the service cost in the period in which the related service is rendered.



ATUL MIDDLE EAST FZ-LLC

Dubai, UAE

Notes to the Financial Statements (continued)

For the period from March 18, 2015 to March 31, 2016

b. IFRS - 2 : Share-based payment - Definitions of vesting conditions.

These amendments clarify the performance condition and service condition separately. The amendment was proposed because of: a perceived lack of clarity in the current definition of vesting conditions in IFRS, which incorporates of service conditions and performance conditions including market conditions (and vesting period); the absence of a definition on non-vesting conditions and insufficient guidance on the interaction of multiple vesting conditions.

c. IFRS - 3 : Business combinations - Accounting for contingent consideration in a business combination.

IFRS 3 clarify that measure all contingent consideration in a business combination that is classified as an assets or liability to be measured at fair value at each reporting date.

d. IFRS - 8 : Operating Segments: Aggregation of operating segments and Reconciliation of the total of the reporting segments' assets to the entity's assets.

Requires disclosure of the judgments made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly

e. IAS - 16 and IAS 38 : Property, Plant and Equipment and Intangible Assets - Revaluation method and proportionate restatement of accumulated depreciation/amortization.

These amendment clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount

f. IAS - 24 : Related Party Disclosure (Key management personnel)

Clarify how payments to entities providing management services are to be disclosed.

g. IAS -40 : Investment property - Interrelationship between IFRS 3 and IAS 40 (ancillary services)

Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

(II) Other Standards and Interpretations effective in the current period.

** Effective for annual periods beginning on or after January 1, 2016.*

a) IFRS - 10 and IAS - 28 : Sale of Contribution of Assets between an investor and its Associate or Joint Venture.

b) IFRS - 11 : Accounting for Acquisitions of Interest in Joint Operations

c) IFRS - 14 : Regulatory Deferral Accounts



ATUL MIDDLE EAST FZ-LLC

Dubai, UAE

Notes to the Financial Statements (continued)

For the period from March 18, 2015 to March 31, 2016

- d) IAS - 1 : Disclosure Initiative
- e) IAS 16 and IAS 38 : Clarification of acceptable method of depreciation and amortization.
- f) IAS 16 and IAS 41 : Agriculture; Bearer Plants.
- g) IAS 27 : Equity Method in separate Financial Statements.
- h) IFRS 5 : Non-current assets held for sale and discontinued operations - Changes in methods of disposal
- i) IFRS 7 : Financial Instruments Disclosure - Servicing contracts and Applicability of the offsetting disclosures to condensed interim financial statements.
- j) IAS 19 : Employee Benefits - Discount rate and regional market issue.
- k) IAS 34 : Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial statement'.
- * *Effective for annual periods beginning on or after January 1, 2017*
- l) Amendments to IFRS 15 Revenue from Contracts with Customers.
- * *Effective for annual periods beginning on or after January 1, 2018*
- h) Amendments to IFRS 9 Financial Instruments.

Management anticipates that the adoption of these Standards and Interpretations will have no material impact on the financial statements of the company in the period of initial application, other than certain presentation and disclosure changes.

7. Significant Accounting Policies

a) Property, Plant & Equipment

The entity has not acquired any property, plant and equipment as on the date of reporting period.

b) Receivables

Receivables are stated at their nominal values and an allowance is made for any receivables considered to be doubtful for collection. Known bad debts are written-off.

c) Payables

Payables are stated at their nominal values, which are the fair values of the consideration to be paid in the future for goods and services received.



ATUL MIDDLE EAST FZ-LLC

Dubai, UAE

Notes to the Financial Statements (continued)

For the period from March 18, 2015 to March 31, 2016

d) Provisions

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

e) Revenue Recognition

Revenue is recognized when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably.

Sale of Goods

Revenue from sale of goods is recognized when all the following conditions are satisfied:

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

f) Cash & Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement consist of cash on hand and cash at bank.

	31-03-2016 AED
8. Accounts and Other Receivables	
Trade Receivable	469,343
Deposit	7,500
Prepayments	52,154
	<u>528,997</u>
<i>* Age wise analysis of trade receivable</i>	
<i>Less than 90 days</i>	<u>469,343</u>
9. Bank Balance	
Cash at Bank	177,584
	<u>177,584</u>



ATUL MIDDLE EAST FZ-LLC
Dubai, UAE
Notes to the Financial Statements (continued)
For the period from March 18, 2015 to March 31, 2016

	31-03-2016 AED
10. Share Capital	
Authorized, issued and paid up capital 300 shares of Aed. 1,000/- each.	<u><u>300,000</u></u>
11. Shareholders' current account	
Opening balance	Nil
Net movement during the period	<u>2,122</u>
Closing balance	<u><u>2,122</u></u>
12. Related Party Transactions	
<p>The entity has in the ordinary course of business, entered into certain financial transactions with entities which fall within the definition of related parties as contained in International Financial Reporting Standards (IFRS). The management decides on the terms and conditions of the transactions and services received / rendered from/to related parties as well as on other charges.</p> <p>The entity provides / receives funds to/from related parties as and when required as working capital. The balance due from/due to such parties which have been disclosed below are unsecured and repayable on call.</p>	
Due to Related Party	
Atul Ltd (India)	<u>475,803</u>
	<u><u>475,803</u></u>
<i>Significant Related Party Transactions</i>	
<i>Purchases</i>	<u><u>684,368</u></u>
13. Accounts and Other Payable	
Trade Payable	3,050
Accrued expenses	<u>2,200</u>
	<u><u>5,250</u></u>
14. Revenue	
Sales	<u><u>684,368</u></u>
15. Cost of Sales	
Material cost with direct expenses	<u><u>684,368</u></u>
16. General & Administration Expenses	
Legal, License & Professional fee	50,040
Rent	27,089
Visa & Medical expenses	6,363
Bank charges	620
Office expenses	<u>464</u>
	<u><u>84,576</u></u>



ATUL MIDDLE EAST FZ-LLC

Dubai, UAE

Notes to the Financial Statements (continued)

For the period from March 18, 2015 to March 31, 2016

17. Financial Risk Factors

(i) Credit Risk

Financial assets, which potentially subject the company to credit risk, comprises mainly of bank balances and receivables. Bank balances are with regulated financial institutions. Management is closely monitoring the receivables from customers and taking follow up measures to ensure the collection from customers within the credit period given. Management is of the opinion that receivables are fully recoverable.

(ii) Interest Rate Risk

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

(iii) 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.

(iv) Exchange Rate Risk

There were no significant exchange rate risks as most of the financial assets and liabilities are denominated in UAE Dirhams.

18. Contingent Liability

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on company's accounts as of date of statement of financial position.

19. Comparative Figures

Since, this is the first period of audit, there were no comparative figures applied in the financial statements.

20. Significant events after the date of statement of financial position

There were no significant events occurred after the date of statement of financial position which require disclosure in the financial statements.

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

The Report of the Auditors is set out on pages 4 & 5.

These financial statements on pages 6 to 16 were approved by the Director on April 19, 2016 and signed by:

FOR ATUL MIDDLE EAST FZ-LLC

Director

