

MANAKSIA INTERNATIONAL FZE
PO BOX 53805, HAMRIYAH FREE ZONE,
SHARJAH, UAE
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31ST MARCH, 2018

مؤسسة النداء لتدقيق الحسابات

AL NEEDAA PUBLIC
ACCOUNTANTS & AUDITORS

هاتف : ٥٦٨٧٢٧٢ - ٠٦ ، فاكس : ٥٦٨١٧١٥ - ٠٦

ص . ب : ٩٨٤ ، الشارقة - إ . ع . م .

Tel.: 06 - 5687272, Fax : 06 - 5681715

P.O. Box: 984, Sharjah - U.A.E.

هاتف : ٧٤٧٠٩٨٠ - ٠٦ ، ص.ب: ٥٦٢٨ - عجمان - إ.ع.م.

Tel.: 06 - 7470980, P.O. Box : 5628, Ajman - U.A.E.

Email: alneedaa2011@hotmail.com
Public Accountants & Auditors

محاسبون قانونيون ومدققو حسابات

مؤسسة النداء لتدقيق الحسابات
AL NEEDAA AUDITING ACCOUNTANTS
محاسبون قانونيون ومدققو حسابات

MANAKSIA INTERNATIONAL FZE
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31ST MARCH, 2018

Independent Auditors' Report	2-3
Statement of financial position	4
Statement of comprehensive income	5
Statement of changes in equity	6
Statement of Cash Flows	7
Notes forming part of financial statements	8 to 14

مؤسسة النداء لتدقيق الحسابات
AL NEEDAA AUDITING ACCOUNTANTS
محاسبون قانونيون ومدققو حسابات

Page : 2

Independent Auditors' Report to the shareholders

To,
The Shareholders,
MANAKSIA INTERNATIONAL FZE
PO Box 53805,
Hamriyah Free Zone,
Sharjah, UAE

We have audited the accompanying financial statements of **Manaksia International FZE**, Hamriyah Free Zone, Sharjah, UAE which comprise the statement of financial position as at 31st March, 2018, 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 other explanatory information.

Management's responsibility for the financial statements

The 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 preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 statement 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 our judgment, whether due to fraud or error. In making those risk of assessments, we consider 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 effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

مؤسسة النداء لتدقيق الحسابات
AL NEEDAA AUDITING ACCOUNTANTS
محاسبون قانونيون ومدققو حسابات

Page : 3

Independent Auditors' Report to the shareholders
(Continued)

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 financial statements read along with the enclosed notes to the statements represent fairly, in all material respect, the financial position of **Manaksia International FZE**, Hamriyah Free Zone, Sharjah, UAE as at 31st March, 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

We also confirm that in our opinion proper books of account have been kept by the Establishment and that these financial statements which relate to these financial statements are in agreement with the books of account. We have obtained all information and explanations we required for the purpose of our audit.

For Al Needaa Auditing Accountants

Samir Zaki Amin Ahmed Zaki Amin
Reg. No: 440

Date: 9th May, 2018
Place: Sharjah, (U.A.E)



مؤسسة النداء لتدقيق الحسابات
AL NEEDAA AUDITING ACCOUNTANTS
 محاسبون قانونيون ومدققو حسابات

Page 4

MANAKSIA INTERNATIONAL FZE
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2018
 (All figures in AED)

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Current Assets:			
Trade receivables	5	1,367,380	1,019,117
Other receivables	6	7,247,289	2,027,334
Cash & bank balances	7	279,276	795,339
Total current assets		8,893,945	3,841,790
TOTAL ASSETS		8,893,945	3,841,790
<u>EQUITY & LIABILITIES</u>			
Capital & Reserves:			
Share capital	8	5,554,000	50,000
Statutory reserve		69,346	20,510
Retained earnings		604,267	164,746
Total equity		6,227,613	235,256
Current Liabilities:			
Trade payables	9	340,179	3,111,821
Accruals and other payables	10	2,326,153	494,713
Total current liabilities		2,666,332	3,606,534
TOTAL EQUITY & LIABILITIES		8,893,945	3,841,790

The accompanying notes 1 to 12 form an integral part of the financial statements.

For Independent Auditors' Report, see pages 2 & 3

For Manaksia International FZE



Karan Agrawal
 Director



مؤسسة النداء لتدقيق الحسابات
AL NEEDAA AUDITING ACCOUNTANTS
محاسبون قانونيون ومدققو حسابات

Page 5

MANAKSIA INTERNATIONAL FZE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH, 2018
(All figures in AED)

	Notes	2018	2017
Revenue		12,644,982	11,700,167
Cost of sales		(12,230,865)	(11,379,079)
Gross profit		414,117	321,088
Other income		290,586	(688)
		704,703	320,400
General and administration expenses	11	(216,346)	(115,299)
Total comprehensive profit for the year		488,357	205,102

The accompanying notes 1 to 12 form an integral part of the financial statements.
For Independent Auditors' Report, see pages 2 & 3

For Manaksia International FZE


Karan Agrawal
Director



مؤسسة النداء لتدقيق الحسابات
AL NEEDAA AUDITING ACCOUNTANTS
 محاسبون قانونيون ومدققو حسابات

Page 6

MANAKSIA INTERNATIONAL FZE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2018
 (All figures in AED)

	Capital	Statutory reserve	Retained Earnings	TOTAL
As at 1st April, 2016	50,000	-	(19,846)	30,154
Net movement during the year	-	-	-	-
Net Profit for the year	-	-	205,102	205,102
Transfer to reserve	-	20,510	(20,510)	-
As at 31st March, 2017	50,000	20,510	164,746	235,256
Net movement during the year	5,504,000	-	-	5,504,000
Net Profit for the year	-	-	488,357	488,357
Transfer to reserve	-	48,836	(48,836)	-
As at 31st March, 2018	5,554,000	69,346	604,267	6,227,613

The accompanying notes 1 to 12 form an integral part of the financial statements.
 For Independent Auditors' Report, see pages 2 & 3

For Manaksia International FZE



Karan Agrawal
 Director



مؤسسة النداء لتدقيق الحسابات
AL NEEDAA AUDITING ACCOUNTANTS
 محاسبون قانونيون ومدققو حسابات

Page 7

MANAKSIA INTERNATIONAL FZE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2018
 (All figures in AED)

		<u>2018</u>	<u>2017</u>
<u>Cash from operating activities :</u>			
Net Profit for the year		488,357	205,102
(Increase) in trade receivables		(348,263)	(750,508)
(Increase) in other receivables		(5,219,955)	(1,989,532)
Decrease in Trade payables		(2,771,642)	2,786,739
Increase in Accruals & other payables		1,831,440	184,874
Cash Flow from Operations	A	<u>(6,020,063)</u>	<u>436,675</u>
<u>Cash flow from investing activities :</u>			
Purchase of property, plant & equipments		-	-
Cash Flow from investing activities	B	<u>-</u>	<u>-</u>
<u>Cash flow from financing activities :</u>			
Capital introduced		5,504,000	-
Cash Flow from Financing activities	C	<u>5,504,000</u>	<u>-</u>
Net increase in cash & cash equivalents	(A+B+C)	(516,063)	436,675
Opening Cash and cash equivalents		795,339	358,664
Closing Cash and cash equivalents		<u><u>279,276</u></u>	<u><u>795,339</u></u>

The accompanying notes 1 to 12 form an integral part of the financial statements.

The Report of the Auditors is set out on pages 2 & 3

For Manaksia International FZE


Karan Agrawal
 Director



مؤسسة النداء لتدقيق الحسابات
AL NEEDAA AUDITING ACCOUNTANTS
محاسبون قانونيون ومدققو حسابات

Page : 8

MANAKSIA INTERNATIONAL FZE
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31st MARCH, 2018

1. Status and Activity:

- 1.1 **Manaksia International FZE** ("Establishment") is a Free Zone Establishment registered under Hamriyah Free Zone Authority in the Emirate of Sharjah.
- 1.2 Financial statements incorporate the activities carried through trade license no. 14150 issued on 2nd August, 2015.
- 1.3 The registered address of the Establishment is E Lob Office E-21F-10, Hamriyah Free Zone, Sharjah, UAE.
- 1.4 The objective of the Establishment is Import, Export, Trading of Metal & Metal Products, Agricultural Products, Minerals, Textile and Foodstuff.

2. Capital:

Authorized, issued and paid up capital of the Establishment is AED 5,554,000 constituted by 5,554 shares of AED 1,000. The shareholding as at 31st March, 2018 was as follows:

	Name	Shares	%	Capital (AED)
1	M/s Manaksia Coated Metals & Industries Limited , a company incorporated under the laws of the Republic of India under registration no. L27100WB2010PLC144409 having it's registered office in Kolkata, India	5,554	100%	5,554,000
	TOTAL	5,554	100%	5,554,000

3. Significant Accounting Policies and Disclosures:

3.1 Basis of preparation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of the reporting period. The financial statements are presented in UAE Dirhams (AED) and all values are rounded to the nearest AED. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

MANAKSIA INTERNATIONAL FZE
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31st MARCH, 2018

3.2 Statement of compliance

The financial statements of the Establishment have been prepared in accordance with International Financial Reporting Standards.

3.3 Adoption of new and revised International Financial Reporting Standards

The following new and revised Standards including amendments thereto and Interpretations which became effective for the current reporting period have been adopted wherever applicable. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

IFRS 1: First time adoption on Government Loans
IFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities
IFRS 9: Financial Instruments - 1 January 2015
IFRS 10: Consolidated Financial Statements (Presentation of consolidated financial statements as those of a single economic entity)
IFRS 11: Joint Arrangements
IFRS 12: Disclosure of Interests in Other Entities (Additional disclosures)
IFRS 13: Fair Value Measurement
IAS 1: Presentation of Items of Other Comprehensive Income
IAS 19: Employee Benefits
IAS 27: Separate Financial Statements
IAS 28: Investments in Associates and Joint Ventures
IAS 32: Offsetting Financial Assets and Financial Liabilities - 1 January 2014
IAS 36: Recoverable Amount Disclosures for Non-Financial Assets - 1 January 2014
IAS 39: Financial Instruments: Recognition and Measurement Amendment to IAS 39 'Novation of derivatives' - 1 January 2014
IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine
IFRIC 21: Levies - 1 January 2014

Amendments to IAS 16 and IAS 38 to clarify the acceptable methods of depreciation and amortization - 1 January 2016
Amendments to IFRS 11 to clarify accounting for acquisitions of interests in Joint operations - 1 January 2016
Amendments to IAS 16 and IAS 4 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16 - 1 January 2016
Amendments to IAS 16 and IAS 4 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16 - 1 January 2016

MANAKSIA INTERNATIONAL FZE
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31st MARCH, 2018

3.4 Foreign currencies

The financial statements are prepared and the items included in the financial statements are measured using the currency which mainly reflects the underlying transactions, events and conditions of the Establishment ('the functional currency'). The financial statements are presented in AED, which is the Establishment functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of outstanding amounts of such transactions and from the re-translation of monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are recognized in the profit or loss. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

3.5 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and balances with banks in current account.

3.6 Provisions

Provisions are recognized when the Establishment has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is recognized in the profit or loss, net of any reimbursement.

3.7 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Establishment and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services rendered in the ordinary course of the Establishment's activities. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

MANAKSIA INTERNATIONAL FZE
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31st MARCH, 2018

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the Establishment's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

a) Impairment of assets

Assessments of net recoverable amounts of property, plant and equipment, intangible assets and all financial assets other than trade receivables (see below) are based on assumptions regarding future cash flows expected to be received from the related assets.

b) Impairment of trade receivables

The management regularly undertakes a review of the recovery status of amounts due from either third parties or related parties. Such review is made based on variety of factors, including the overall quality and ageing of the receivables, continuing credit evaluation of the customers' financial conditions and collateral requirements from customers in certain circumstances. Based on the review, no allowance for impairment is required as at the end of the reporting period.

مؤسسة النداء لتدقيق الحسابات
AL NEEDAA AUDITING ACCOUNTANTS
محاسبون قانونيون ومدققو حسابات

Page 12

MANAKSIA INTERNATIONAL FZE
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2018
(All figures in AED)

5. TRADE RECEIVABLES:

	<u>2018</u>	<u>2017</u>
Trade receivables	1,367,380	1,019,117
	<u>1,367,380</u>	<u>1,019,117</u>

6. OTHER RECEIVABLES:

	<u>2018</u>	<u>2017</u>
Pre-payments	130,833	8,333
Advances	58,800	59,210
Advance to suppliers	7,057,656	1,959,791
	<u>7,247,289</u>	<u>2,027,334</u>

7. CASH & BANK :

	<u>2018</u>	<u>2017</u>
Cash in hand	2,913	4,923
Cash at bank	276,363	790,416
	<u>279,276</u>	<u>795,339</u>

8. SHARE CAPITAL:

	<u>2018</u>	<u>2017</u>
Authorized, issued and fully paid:	5,554,000	50,000
5,554 Ordinary shares of AED 1,000/-	<u>5,554,000</u>	<u>50,000</u>

مؤسسة النداء لتدقيق الحسابات
AL NEEDAA AUDITING ACCOUNTANTS
محاسبون قانونيون ومدققو حسابات

Page 13

MANAKSIA INTERNATIONAL FZE
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2018
(All figures in AED)

9. TRADE PAYABLES:

	<u>2018</u>	<u>2017</u>
Trade payables	340,179	3,111,821
	<u>340,179</u>	<u>3,111,821</u>

10. ACCRUALS & OTHER PAYABLES:

	<u>2018</u>	<u>2017</u>
Accruals	3,000	3,000
Advance from customers	2,323,153	491,713
	<u>2,326,153</u>	<u>494,713</u>

11. GENERAL & ADMINISTRATIVE EXPENSES:

	<u>2018</u>	<u>2017</u>
Customs & clearing charges	-	3,872
Commission expense	55,046	36,750
Visa expenses	-	3,590
Telephone expenses	872	955
Lease rent	25,000	32,769
Professional fees	64,750	15,500
Other expenses	1,512	5,929
Sales expenses	37,499	-
Bank charges	31,667	15,934
	<u>216,346</u>	<u>115,299</u>

12. FINANCIAL INSTRUMENTS - RISK MANAGEMENT:

The Establishment's activities are subject to variety of financial risks: market risk (principally currency risks and interest rate risk), credit risk and liquidity risk. The Establishment seeks to minimize the potential adverse effects of these risks on the financial performance.

مؤسسة النداء لتدقيق الحسابات
AL NEEDAA AUDITING ACCOUNTANTS
محاسبون قانونيون ومدققو حسابات

Page 14

MANAKSIA INTERNATIONAL FZE
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2018
(All figures in AED)

Market risk

Currency risks

Substantial portion of the transactions are designated in AED or in USD/GCC to which AED is fixed; hence, there is no material exchange rate risk.

Interest rate risk

Since the Establishment has no significant variable interest bearing assets or liabilities the profit for the year is not materially sensitive to changes in interest rates.

Credit risk

Financial assets which potentially subject the Establishment to concentration of credit risk consist principally of bank balances, trade receivables and refundable deposits. Bank balances are with high credit regulated financial institutions.

Fair values

At the reporting date, the carrying amounts of financial assets and financial liabilities approximated their fair values.

The accompanying notes 1 to 12 form an integral part of the financial statements.
For Independent Auditors' Report, see pages 2 & 3

For Manaksia International FZE



Karan Agrawal
Director



مؤسسة النداء لتدقيق الحسابات

AL NEEDAA PUBLIC
ACCOUNTANTS & AUDITORS

هاتف : ٥٦٨٧٢٧٢ - ٠٦ ، فاكس : ٥٦٨١٧١٥ - ٠٦

ص . ب : ٩٨٤ ، الشارقة - إ . ع . م .

Tel.: 06 - 5687272, Fax : 06 - 5681715

P.O. Box: 984, Sharjah - U.A.E.

هاتف : ٧٤٧٠٩٨٠ - ٠٦ ، ص.ب: ٥٦٢٨ - عجمان - إ.ع.م.

Tel.: 06 - 7470980, P.O. Box : 5628, Ajman - U.A.E.

Email: alneedaa2011@hotmail.com

Public Accountants & Auditors

محاسبون قانونيون ومدققو حسابات