SIMBHAOLI GLOBAL COMMODITIES DMCC

Dubai – United Arab Emirates

Financial Statements and

Independent Auditor's Report

For the year ended March 31, 2016

Simbhaoli Global Commodities DMCC
Dubai – United Arab Emirates

Financial Statements and Independent Auditor's Report
For the year ended March 31, 2016

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Company Information: Simbhaoli Global Commodities DMCC

Legal Status:
Free zone company with limited liability registered with Dubai Multi Commodities Centre Authority, Dubai, United Arab Emirates

Date of Incorporation:
September 23, 2008, license issued on November 16, 2008

Activities:
Trading in sugar and agricultural commodities (DMCC)

Directors:
Ms. Gursimran Kaur Mann
Mr. Kamal Samtani

Business Address:
Unit No. 2H-05-60,
Jewellery & Gemplex 2,
Plot No. DMCC-PH2-J&GplexS,
Jewellery & Gemplex,
P. O. Box: 340505,
Dubai, U.A.E.
Tel : + 971 4 424 9600
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Banks:
Bank of Baroda
Emirates NBD

Simbhaoli Global Commodities DMCC
Dubai – United Arab Emirates

Directors' Report

The Board of Directors has pleasure in presenting their report and the audited financial statements for the year ended March 31, 2016.

Business review:
The Company has achieved revenue of **Nil** (P.Y: USD 652,299/-) with a gross loss of **Nil** (P.Y: USD 41,488/-). The loss for the year is **USD 11,046/-** (P.Y: USD 53,462/-). Management is making all efforts and is confident of better performance for the upcoming financial year.

Events after the reporting period:
There are no significant events after the reporting period.

Auditors:
The financial statements have been audited by Jaxa Chartered Accountants, who retire and, being eligible, offer themselves for reappointment.

Acknowledgements:
The Board of Directors would like to express their gratitude and appreciation to shareholder, banks, clients, business partners and regulatory and government authorities whose continued support has been a source of great strength and encouragement.

For the Board of Directors

Kamal Samtani
Director

May 26, 2016

Independent Auditor's Report

To

The Shareholder

Simbhaoli Global Commodities DMCC

Dubai – United Arab Emirates

We have audited the accompanying financial statements of **Simbhaoli Global Commodities DMCC (the "Company")** which comprise the statement of financial position as at March 31, 2016 and statement of comprehensive income, statement of changes in shareholder's 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Company's accounting policies. 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 judgment, 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.

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Independent Auditor's Report (continued)

Basis for qualified opinion

Bank balances include USD 13,651/- held with Emirates NBD. As informed to us, this account has been converted to "inactive account" as there are no transactions and hence neither bank statements nor bank confirmation is available for this account.

Qualified opinion

Except for the possible effects on the financial statements of the matter referred to under the *basis for qualified opinion*, in our opinion, the financial statements present fairly, in all material respects, the financial position of **Simbhaoli Global Commodities DMCC** as at March 31, 2016 and its financial performance and cash flows for the year then ended in accordance with Company's accounting policies (as mentioned in note 2).

Emphasis of matter

As discussed in note 2.2 to the financial statements, these financial statements have been prepared on a going concern basis. For the year ended March 31, 2016, the Company has incurred a loss of USD 11,046/- (P.Y: USD 53,462/-) and net liabilities of USD 61,529/- as at March 31, 2016 (USD 50,483/- as at March 31, 2015). These factors raise doubts whether the Company will be able to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern, since the shareholder has committed to provide such support as may be required to enable the Company to meet its debts and obligations as they fall due.

Report on other legal and regulatory requirements

Also, in our opinion, proper books of accounts are maintained by the Company. We have obtained all the information and explanations, which we considered necessary for the purpose of our audit. According to the information available to us, there were no contraventions of the Dubai Multi Commodities Centre DMCC Company Regulations, 2003 and its amendments and the U.A.E. Federal Law No. 2 of 2015 on Commercial Companies or the applicable provisions of the U.A.E. Federal Commercial Companies Law No. 8 of 1984 and the provisions of the memorandum and articles of association of the Company, which might have a material effect on the financial position of the Company or on the results of its operations.

Dubai

May 26, 2016

Ref: DXB/217/RJ/316429

JAXA CHARTERED ACCOUNTANTS

Reg. No. 442

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Simbhaoli Global Commodities DMCC
Dubai – United Arab Emirates

Statement of Financial Position as at March 31, 2016
(In US Dollars)

	Note	2016	2015
Assets			
Non-current assets		**-**	-
Current assets			
Other receivables	4	**132,000**	132,000
Bank balances	5	**29,178**	40,369
Total current assets		**161,178**	172,369
Total assets		**161,178**	172,369
Equity and Liabilities			
Equity			
Share capital	1	**81,744**	81,744
Accumulated deficit		**(143,273)**	(132,227)
Total equity		**(61,529)**	(50,483)
Non-current liabilities		**-**	-
Current liabilities			
Due to related party	6	**210,178**	210,363
Other payables	7	**12,529**	12,489
Total current liabilities		**222,707**	222,852
Total liabilities		**222,707**	222,852
Total equity and liabilities		**161,178**	172,369

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 3 to 4.

The financial statements on pages 5 to 17 were approved by the shareholder on May 26, 2016 and signed on its behalf by:

Kamal Samtani
Director

Simbhaoli Global Commodities DMCC
Dubai – United Arab Emirates

Statement of Comprehensive Income
For the year ended March 31, 2016
(In US Dollars)

	Note	**2016**	2015
Revenue	8	**-**	652,299
Cost of revenue	9	**-**	(693,787)
Gross loss		**-**	(41,488)
Other income	10	**803**	473
General and administrative expenses	11	**(11,849)**	(12,447)
Loss for the year		**(11,046)**	(53,462)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(11,046)**	(53,462)

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

The report of the independent auditor is set forth on pages 3 to 4.

Kamal Samtani
Director

Simbhaoli Global Commodities DMCC
Dubai – United Arab Emirates

Statement of Changes in Shareholder's Equity
For the year ended March 31, 2016
(In US Dollars)

	Share capital	Accumulated deficit	Total
Balance as at March 31, 2014	81,744	(78,765)	2,979
Loss for the year	-	(53,462)	(53,462)
Balance as at March 31, 2015	**81,744**	**(132,227)**	**(50,483)**
Loss for the year	-	(11,046)	(11,046)
Balance as at March 31, 2016	**81,744**	**(143,273)**	**(61,529)**

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

The report of the independent auditor is set forth on pages 3 to 4.

Simbhaoli Global Commodities DMCC
Dubai – United Arab Emirates

Statement of Cash Flows
For the year ended March 31, 2016
(In US Dollars)

	2016	2015
Cash flows from operating activities		
Loss for the year	**(11,046)**	(53,462)
Operating cash flows before movements in working capital	**(11,046)**	(53,462)
Other receivables	**-**	(132,000)
Due to related party	**(185)**	199,018
Other payables	**40**	(28)
Net cash (used in)/generated from operating activities	**(11,191)**	13,528
Cash flows from investing activities	**-**	-
Cash flows from financing activities	**-**	-
Net (decrease)/increase in cash and cash equivalents	**(11,191)**	13,528
Cash and cash equivalents at the beginning of the year	**40,369**	26,841
Cash and cash equivalents at the end of the year	**29,178**	40,369

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

The report of the independent auditor is set forth on pages 3 to 4.

1. Legal status and operations

Simbhaoli Global Commodities DMCC (the "Company"), a free zone company with limited liability, is registered with Dubai Multi Commodities Centre Authority, Dubai, United Arab Emirates under the license no: DMCC-31110 issued on November 16, 2008.

The registered address of the Company is Unit No. 2H-05-60, Jewellery & Gemplex 2, Plot No. DMCC-PH2-J&GplexS, Jewellery & Gemplex, P. O. Box: 340505, Dubai, United Arab Emirates.

Authorized, issued and fully paid up share capital of the Company is **AED 300,000/-** divided into 300 shares of AED 1,000/- each.

The details of the shareholder as at March 31, 2016 are as follows:

Sl. No.	Name	Nationality	Shares	Amount AED	%
1	M/s. Simbhaoli Sugars Limited	India	300	300,000	100
	Total		**300**	**300,000**	**100**

Activities

The Company has a license for trading in sugar and agricultural commodities (DMCC).

2. Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Company's accounting policies and applicable provisions of U.A.E. laws.

2.2 Going concern

The Company incurred a loss of USD 11,046/- for the year ended March 31, 2016 (P.Y: USD 53,462/-) and has accumulated losses of USD 143,273/- as at March 31, 2016 (March 31, 2015: USD 132,227/-) and net liabilities of USD 61,529/- as at March 31, 2016 (March 31, 2015: USD 50,483/-). The Company's ability to continue as going concern is dependent upon its ability to generate sufficient cash flows from the shareholder. The shareholder has given an undertaking to continue to provide and arrange financial support as may be necessary to enable the Company to meet its obligations as they fall due and to continue its operations in the foreseeable future. The management is confident that the Company will be successful in generating a satisfactory level of positive cash flows from its future operations to repay its debts, as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

2. Significant accounting policies (continued)

2.3 Basis of preparation

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

These financial statements are presented in US Dollar (USD), which is the functional currency of the Company.

2.4 Revenue recognition

All revenue is measured at the fair value of the consideration receivable, excluding discounts and rebates.

Sale of goods is recognized when goods are delivered and title has been passed.

2.5 Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are converted into US Dollar at the rates of exchange prevailing at the end of the reporting period and gain or loss arising thereon was charged to profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated 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 rate as at the date of the initial transaction and are not subsequently restated.

2.6 Financial assets

The Company has the following financial assets: 'other receivables' and 'bank balances'. The classification depends on the nature of the financial asset and is determined at the time of initial recognition.

<u>Loans and receivables</u>

Other receivables are stated at their nominal value. Allowance for impairment is made against loans and receivables when their recovery is in doubt. Loans and receivables are written off only when all possible courses of action to achieve recovery have proved unsuccessful.

<u>Cash and cash equivalents</u>

Cash and cash equivalents consist of balance with the banks in current accounts.

2. Significant accounting policies (continued)

2.6 Financial assets (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer counterparty;
- breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial re-organization;
- the disappearance of an active market for that financial asset because of causes which are financial and non-financial.

For certain categories of financial assets such as trade receivables that are assessed as not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

For the financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

2. Significant accounting policies (continued)

2.6 Financial assets (continued)

Impairment of financial assets (continued)

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the assets at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

De-recognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset.

2.7 Equity instruments and financial liabilities

Equity instruments and financial liabilities of the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the asset of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue cost.

Financial liabilities

Financial liabilities consist of ‘due to related party’ and ‘other payables’. Financial liabilities, including bank borrowings are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expenses recognized on an effective yield basis, except for the short-term payables when the recognition of interest would be immaterial.

2. Significant accounting policies (continued)

2.7 Equity instruments and financial liabilities (continued)

Financial liabilities (continued)

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or has expired.

2.8 Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3. Critical judgments in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in note 2 to the financial statements, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements:

Revenue recognition

Management considered the detailed criteria for the recognition of revenue from sale of goods as set out in IAS 18: *Revenue*. Management has judged that revenue has been recognized only when the outcome of the transactions involving the sale of goods can be estimated reliably. In making this judgment, management considers that the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

4. Other receivables

	March 31,	
	2016	2015
	USD	USD
Advance to suppliers	**132,000**	132,000

5. Bank balances

	March 31,	
	2016	2015
	USD	USD
Bank balances: in current accounts	**29,178**	40,369

6. Related party

The Company, in the ordinary course of business, entered into a variety of transactions at agreed terms and conditions, with companies, entities or individuals that fall within the definition of related party as contained in International Accounting Standard No. 24: *Related Party Disclosures*. Related parties comprise the Company's shareholder, directors and entities related to them, companies under common ownership and/or common management and control, their partners and key management personnel.

Due to related party at the end of the reporting period comprise of:

	March 31,	
	2016	2015
	USD	USD
M/s. Simbhaoli Sugars Limited, India	**210,178**	210,363

During the year the Company entered into the following transactions with related party:

	Year ended March 31,	
	2016	2015
	USD	USD
Purchases	**-**	678,600

7. Other payables

	March 31,	
	2016	2015
	USD	USD
Advance from customers	**10,867**	10,867
Accrued expenses	**1,662**	1,622
	12,529	12,489

8. Revenue

	Year ended March 31,	
	2016	2015
	USD	USD
Sales	**-**	652,299

Geographical analysis of revenue	Year ended March 31,	
	2016	2015
	USD	USD
Within United Arab Emirates	**-**	652,299

9. Cost of revenue

	Year ended March 31,	
	2016	2015
	USD	USD
Purchases (Note: 6)	**-**	678,600
Direct expenses	**-**	15,187
	-	693,787

10. Other income

	Year ended March 31,	
	2016	2015
	USD	USD
Exchange gain	**803**	473

11. General and administrative expenses

	Year ended March 31,	
	2016	2015
	USD	USD
Rent	**4,529**	4,522
Legal, license and professional fees	**7,266**	7,233
Others	**54**	692
	11,849	12,447

12. Contingent liabilities and commitments

Except the ongoing business commitments, which are in the normal course of business, there has been no known contingent liability or capital commitments on the Company as at the end of the reporting period.

13. Financial instruments

Fair value

The fair value of the Company's financial instruments is not materially different from their carrying amounts in the statement of financial position.

Risk management

The main risks arising from the Company's financial instruments are credit risk, currency risk, interest rate risk and liquidity risk.

a) Credit risk

The Company's exposure to credit risk at the end of the reporting period is indicated by the carrying amounts of its financial assets, net of any applicable allowance for losses. The Company is exposed to credit risk on its financial assets as follows:

	March 31,	
	2016	2015
	USD	USD
Advances	**132,000**	132,000
Bank balances	**29,178**	40,369

Advances are held with reputable parties.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

b) Currency risk

The Company's currency risk relates to the exposure to the fluctuations in the foreign currency rates. There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in USD or AED to which USD is pegged.

c) Interest rate risk

The Company does not have any interest bearing assets and liabilities as at the end of the reporting period and hence the Company is not exposed to any interest rate risk as at the end of the reporting period.

d) Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its short term financial liabilities at maturity date.

13. Financial instruments (continued)

Risk management (continued)

d) Liquidity risk (continued)

The table below analyses the Company's remaining contractual maturity for its short term financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	March 31,	
	2016	2015
	USD	USD
Due to related party	**210,178**	210,363
Other payables	**12,529**	12,489

14. Comparative figures

Certain amounts for the previous year were reclassified to conform to current year presentation.

Kamal Samtani
Director