

**RUCHI MIDDLE EAST DMCC**

**Financial Statements**

*31 March 2017*

***Registered office:***

Unit No. 1518  
DMCC business center  
Level No. 1  
Jewellery & Gemplex 3  
Dubai, U.A.E.

## **RUCHI MIDDLE EAST DMCC**

### **Financial Statements** *31 March 2017*

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## **RUCHI MIDDLE EAST DMCC**

### **Report of the Manager**

The manager submits his report and financial statements for the year ended 31 March 2017.

#### **Results**

The losses for the year amounted to US \$ 116,523/-.

#### **Review of the business**

The company is registered to carry out the trading of grains, cereals and legumes, cotton and natural fibers, food and beverages, coffee, ghee and vegetable oil.

#### **Events since the end of the year**

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

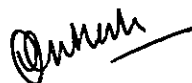
#### **Shareholder and its interest**

The sole shareholder at 31 March 2017 and its interest as at that date in the share capital of the company was as follows:

<u>Name of the shareholder</u>	<u>Country of Incorporation</u>	<u>No. of shares</u>	<u>AED</u>	<u>US \$</u>
Ruchi Industries Pte Ltd	Singapore	1,900	1,900,000	517,429

#### **Auditors**

A resolution to re-appoint **KSI Shah & Associates** as auditors and fix their remuneration will be put to the board at the annual general meeting.




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**Mr. Ankesh Shakra**  
Manage

## **Independent Auditors' Report to the Shareholder of RUCHI MIDDLE EAST DMCC**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **RUCHI MIDDLE EAST DMCC** (the "Company"), which comprises of the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, the financial statements present fairly, in all material respects the financial position of the company as of 31 March 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

#### **Other Information**

Management is responsible for the other information. Other information comprises the directors' report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

## **Independent Auditors' Report to the Shareholder of RUCHI MIDDLE EAST DMCC**

### **Report on the Audit of the Financial Statements (contd.):**

#### **Responsibilities of Management and Those Charged With Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Independent Auditors' Report to the Shareholder of RUCHI MIDDLE EAST DMCC

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

We further confirm that we have obtained all information and explanations necessary for our audit and that proper financial records have been maintained by the company in accordance with the DMCC Company Regulations No. 1/03 issued in 2003. To the best of our knowledge and belief no violations of said regulations have occurred which would have had a material effect on the business of the company or on its financial position.

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



16 April 2017

## RUCHI MIDDLE EAST DMCC

### Statement of Financial Position

At 31 March 2017

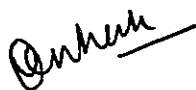
	<i>Notes</i>	<i>2017</i> <u>US.\$</u>	<i>2016</i> <u>US.\$</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Other receivable		272	272
Prepayment		8,890	3,407
Bank balances	6	<u>363,193</u>	<u>517,429</u>
		<u>372,355</u>	<u>521,108</u>
<b>TOTAL ASSETS</b>		<u><b>372,355</b></u>	<u><b>521,108</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	7	517,429	517,429
Accumulated losses		<u>(146,641)</u>	<u>(30,118)</u>
<b>Total equity</b>		<u><b>370,788</b></u>	<u><b>487,311</b></u>
<b>Current liabilities</b>			
Accruals		1,567	-
Due to the parent company	8	<u>-</u>	<u>33,797</u>
		<u>1,567</u>	<u>33,797</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>372,355</b></u>	<u><b>521,108</b></u>

*The accompanying notes 1 to 13 form an integral part of these financial statements.*

*The Independent Auditors' Report is set forth on page 2 to 4.*

*Approved by the shareholder on 16 April 2017 and signed on its behalf.*

For RUCHI MIDDLE EAST DMCC



Mr. Ankesh Shahra  
Manager

## RUCHI MIDDLE EAST DMCC

**Statement of Comprehensive Income**  
*for the year ended 31 March 2017*

	<i>Notes</i>	<i>1 Apr. 2016 to 31 Mar. 2017 US \$</i>	<i>15 Nov. 2015 to 31 Mar. 2016 US \$</i>
Expenses	9	<u>(116,523)</u>	<u>(30,118)</u>
<b>Loss for the year/period</b>		<b>(116,523)</b>	<b>(30,118)</b>
Other comprehensive income		_____ -	_____ -
<b>Total comprehensive income for the year/period</b>		<b><u>(116,523)</u></b>	<b><u>(30,118)</u></b>

*The accompanying notes 1 to 13 form an integral part of these financial statements.*



## RUCHI MIDDLE EAST DMCC

**Statement of Changes in Equity**  
*for the year ended 31 March 2017*

	<i>Share Capital</i>	<i>Accumulated Losses</i>	<i>Total</i>
	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>
Capital introduced during the period	517,429	-	517,429
Loss for the period	<u>-</u>	<u>(30,118)</u>	<u>(30,118)</u>
As at 31 March 2016	517,429	(30,118)	487,311
Loss for the year	<u>-</u>	<u>(116,523)</u>	<u>(116,523)</u>
As at 31 March 2017	<u>517,429</u>	<u>(146,641)</u>	<u>370,788</u>

*The accompanying notes 1 to 13 form an integral part of these financial statements.*

## RUCHI MIDDLE EAST DMCC

**Statement of Cash Flows**  
*for the year ended 31 March 2017*

	<i>1 Apr. 2016 to 31 Mar. 2017</i>	<i>15 Nov. 2015 to 31 Mar. 2016</i>
<i>Notes</i>	<i>US \$</i>	<i>US \$</i>
<b><u>Cash flows from operating activities</u></b>		
Loss for the year/period	(116,523)	(30,118)
Adjustments for:		
Change in accruals	1,567	
Changes in other receivables and prepayments	<u>(5,483)</u>	<u>(3,679)</u>
<b>Net cash from operating activities</b>	<b><u>(120,439)</u></b>	<b><u>(33,797)</u></b>
<b><u>Cash flow from financing activities</u></b>		
Changes in amount due to a parent company	(33,797)	33,797
Share capital introduced during the year	<u>-</u>	<u>517,429</u>
<b>Net cash from financing activities</b>	<b><u>(33,797)</u></b>	<b><u>551,226</u></b>
<b>Net changes in cash and cash equivalents</b>	<b>(154,236)</b>	<b>517,429</b>
<b>Cash and cash equivalents at the beginning of the year/period</b>	<b><u>517,429</u></b>	<b><u>-</u></b>
<b>Cash and cash equivalents at end of the year/period</b>	<b>6 <u>363,193</u></b>	<b><u>517,429</u></b>

*The accompanying notes 1 to 13 form an integral part of these financial statements.*

**RUCHI MIDDLE EAST DMCC**

(Incorporated in the Emirate of Dubai, U.A.E.)

Registration No. 44460

**Notes to the Financial Statements**

*for the year ended 31 March 2017*

**1. Legal status and business activity**

- a) **RUCHI MIDDLE EAST DMCC** (“The Company”) is a limited liability company registered with the Dubai Multi Commodities Centre, Dubai, U.A.E. under commercial license no. DMCC - 149125. The company was registered on 15 November 2015 and the trade license was obtained on 19 January 2016.
- b) The company is registered to carry out the trading of grains, cereals and legumes, cotton and natural fibers, food and beverages, coffee, ghee and vegetable oil.

**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 periods beginning on or after 1 January 2016 and the applicable rules and regulations of Dubai Multi Commodities Centre.

**b) Basis of measurement**

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

The functional and presentation currency is in United States Dollars (US \$), which in the opinion of the management is the most appropriate presentation currency in view of the global presence of the company.

**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.

**RUCHI MIDDLE EAST DMCC****Notes to the Financial Statements**  
*for the year ended 31 March 2017***Use of estimates and judgment (contd.):**

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

**Judgments made in applying accounting policies**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

***Impairment***

At each reporting date, management conducts an assessment of 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 sheet date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

***Impairment***

Assessments of net recoverable amounts of all financial assets other than loans and receivables are based on assumptions regarding future cash flows expected to be received from the related assets.

**4. Adoption of new and revised International Financial Reporting Standards****a) New and revised International Financial Reporting Standards**

The following International Financial Reporting Standards, amendments thereto and interpretations issued by IASB that became effective for the current reporting period and which are applicable to the company are as follows:

- IFRS 14 Regulatory Deferral Accounts
- Disclosure Initiative (Amendments to IAS 1)

## RUCHI MIDDLE EAST DMCC

### Notes to the Financial Statements for the year ended 31 March 2017

#### New and revised International Financial Reporting Standards and amendments (contd.):

- Clarification on acceptable methods of Depreciation and Amortization( Amendments to IAS 16 and IAS 38)
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- Investment Entities: Applying the Consolidation Exception(Amendment to IFRS 10,IFRS 12 and IAS 28)
- Accounting for acquisitions of Interest in Joint operations (Amendments to IFRS 11)
- Amendments to IAS 19 Employee Benefits
- Equity method in Separate Financial Statements(Amendments to IAS 27)
- Annual Improvements to IFRSs 2012-2014 Cycle

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

IAS 7 – Disclosure initiatives – The effective date of the standard is set for annual periods beginning on or after 1 January 2017.

IAS 12 – Recognition of Deferred Tax Assets for Unrealized losses – The effective date of the standard is set for annual periods beginning on or after 1 January 2017.

IFRS 9 – Financial Instruments (July 2014 version) This replaces the earlier IFRS 9 and is the final version – The effective date of the standard is set for annual periods beginning on or after 1 January 2018 with choice for early adoption. From February 2015 entities newly applying IFRS 9 will need to apply the version published in July 2014.

IFRS 15 – Revenue from contracts with customers – The effective date of the standard is set for annual periods beginning on or after 1 January 2018.

IFRS 16 – Leases – The effective date of the standard is set for annual periods beginning on or after 1 January 2019.

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

## 5. Significant accounting policies:

### a) 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.

**RUCHI MIDDLE EAST DMCC****Notes to the Financial Statements**  
*for the year ended 31 March 2017***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 does not have any non-derivative financial assets.

**b) Foreign currency transactions**

Transactions in foreign currencies are converted into US Dollars at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the balance sheet date.

Resulting gain or loss is taken to the Statement of Comprehensive Income.

**c) 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 amortized 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 finance costs in the Statement of Comprehensive Income.

## RUCHI MIDDLE EAST DMCC

### Notes to the Financial Statements for the year ended 31 March 2017

#### d) 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.

#### e) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and cheques on hand, bank balance in 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.

	<u>2017</u>	<u>2016</u>
	<u>US \$</u>	<u>US \$</u>
<b>6. Bank balances</b>		
Bank balances in:		
Current accounts	<u>363,193</u>	<u>517,429</u>
<b>7. Share capital</b>		
Authorized, issued and paid up		
1,900 shares nominal value of AED 1,000/- each		
(converted US \$ @ AED 3.672)	<u>517,429</u>	<u>517,429</u>
<b>8. Related party transactions</b>		

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 that party's 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 companies.

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

	<i>Director</i>	<i>Parent</i>	<i>Fellow</i>	<i>2017</i>	<i>2016</i>
	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>
Director's salaries	80,869	-	-	80,869	-
Payment for incorporation expenses	-	-	-	-	33,797
Accounting fees paid	-	-	5,400	-	-

## RUCHI MIDDLE EAST DMCC

### Notes to the Financial Statements for the year ended 31 March 2017

#### Related party transactions (contd.):

As of the reporting date, balance with a related party was as follows:

	<i>Parent company</i>	<i>2017</i>	<i>2016</i>
	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>
<b>Included in current liabilities:</b>			
Ruchi Industries Pte. Ltd, Singapore	-	-	33,797
		<i>2017</i>	<i>2016</i>
		<u>US \$</u>	<u>US \$</u>
<b>9. Expenses</b>			
Director`s salaries (Refer note 8)		80,869	-
Other administration expenses		<u>35,654</u>	<u>30,118</u>
		<u><b>116,523</b></u>	<u><b>30,118</b></u>

#### 10. Financial instruments: Credit, interest rate, liquidity and exchange rate risk exposures

The company has exposure to the following risks from its use 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 in current accounts.

The company's bank balance in current accounts are placed with high credit quality financial institutions.

##### 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 currency risk, interest rate risk and equity prices risk, which will affect the company's income or the value of its holding of financial instruments.

##### *Interest rate risk*

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



**RUCHI MIDDLE EAST DMCC****Notes to the Financial Statements**  
*for the year ended 31 March 2017**Exchange rate risk*

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in US Dollars to which the U.A.E. Dirham is fixed.

**c) 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.

**11. Financial instruments: Fair values**

The fair values of the company's financial assets comprising of bank balances in current accounts that approximate to their carrying values.

**12. Contingent liability**

There was no significant liability, contingent in nature, as of the reporting date.

**13. Comparative figures**

- a) Previous period's figures have been regrouped/reclassified wherever necessary to conform to the presentation adopted in the current year.
- b) Previous period's figures are for a period of 16 months and hence are not comparable with the current year.