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**REPORT OF THE AUDITORS TO THE SHARE HOLDERS OF
M/S TEX CARE MIDDLE EAST L.L.C., SHARJAH, U.A.E.**

We have audited the accompanying financial statements of *M/s Tex Care Middle East L.L.C., Sharjah, United Arab Emirates*, which comprise the Statement of Financial Position as at 31st March 2015, Statement of Comprehensive Income, Statement of Change in Shareholder's Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Opinion

In our opinion, the financial statements present fairly in all material respects, the financial position of *M/s Tex Care Middle East L.L.C., Sharjah, United Arab Emirates*, as of 31st March 2015 and the result of its operations and its Cash Flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) and comply, where appropriate, with the Articles of Association of the company and the UAE federal law No. 8 of 1984 (as amended).


CA Prem B. Jain
LLB ACS FCA
Reg. No. 227
Managing Partner
ACTIVE AUDITORS



Sharjah, U.A.E
11th May 2015

M/S TEX CARE MIDDLE EAST L.L.C., SHARJAH, U.A.E.
STATEMENT OF FINANCIAL POSITION
As on 31st March 2015

	NOTES	<u>Mar.2015</u> <u>AMOUNT</u> <u>DHS.</u>	<u>Mar.2014</u> <u>AMOUNT</u> <u>DHS.</u>
NON CURRENT ASSETS			
Property, plant and equipment	A	268,616	306,267
Investments	B	87,210	87,210
CURRENT ASSETS			
Inventory	C	613,995	547,578
Accounts Receivable	D	5,451,679	5,320,870
Cash & Cash Equivalents	E	562,463	676,302
Total Current Assets		<u>6,628,137</u>	<u>6,544,750</u>
CURRENT LIABILITIES			
Bank Borrowings	F	209,040	173,555
Accounts Payable	G	1,463,574	1,826,190
Total Current Liabilities		<u>1,672,614</u>	<u>1,999,745</u>
Net Current Assets		4,955,523	4,545,005
Non Current Liability	H	1,022,381	1,197,140
TOTAL NET ASSETS		<u>4,288,968</u>	<u>3,741,342</u>
SHAREHOLDER'S FUNDS			
Share Capital		300,000	300,000
Statutory Reserve		150,000	137,840
Shareholder's Loan A/c	I	655,885	655,885
Retained Earnings		3,183,083	2,647,617
TOTAL		<u>4,288,968</u>	<u>3,741,342</u>

These Financial Statements were approved by the Board of Directors on 11th May 2015 and signed on their behalf by Authorised Signatory.

FOR M/S TEX CARE MIDDLE EAST L.L.C., SHARJAH, U.A.E.

(AUTHORISED SIGNATORIES)

Annexed Accounting Notes form an integral part of these statements.

M/S TEX CARE MIDDLE EAST L.L.C., SHARJAH, U.A.E.
STATEMENT OF COMPREHENSIVE INCOME
For the year ended on 31st March 2015

	NOTES	<u>Mar.2015</u> <u>AMOUNT</u> <u>DHS.</u>	<u>Mar.2014</u> <u>AMOUNT</u> <u>DHS.</u>
Income		9,190,951	8,232,916
Less : Cost of Sales	J	(5,359,572)	(5,008,960)
Gross Profit		<u>3,831,379</u>	<u>3,225,956</u>
OTHER INCOME	K	2,075	5,637
EXPENSES			
Less : Gen. & Admn. Exp.	L	1,460,447	1,372,010
Selling & Distribution Exp.	M	1,332,785	1,030,881
Financial Charges		298,603	215,476
Depreciation	A	109,993	130,650
Bad & Doubtful Debts written off		84,000	84,000
Total Expenses		<u>3,285,828</u>	<u>2,833,017</u>
Net Profit before Statutory Reserve		547,626	398,576
Less : 10% Statutory Reserve		12,160	39,857
Total Comprehensive Income for the year		<u><u>535,466</u></u>	<u><u>358,719</u></u>

These Financial Statements were approved by the Board of Directors on 11th May 2015 and signed on their behalf by Authorised Signatory.

FOR M/S TEX CARE MIDDLE EAST L.L.C., SHARJAH, U.A.E.

(AUTHORISED SIGNATORIES)

Annexed Accounting Notes form an integral part of these statements.



M/S TEX CARE MIDDLE EAST L.L.C., SHARJAH, U.A.E.
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
For the year ended on 31st March 2015

	<u>Share Capital DHS.</u>	<u>Statutory Reserve DHS.</u>	<u>Shareholder's Loan A/c DHS.</u>	<u>Retained Earnings DHS.</u>	<u>Total DHS.</u>
Opening Balance as on 01.04.2013	300,000	97,983	655,885	2,288,898	3,342,766
Reserve for the year	-	39,857	-	-	39,857
Comprehensive Income for the year 2014	-	-	-	358,719	358,719
Balance as at 31.03.2014	<u>300,000</u>	<u>137,840</u>	<u>655,885</u>	<u>2,647,617</u>	<u>3,741,342</u>
Opening Balance as on 01.04.2014	300,000	137,840	655,885	2,647,617	3,741,342
Reserve for the year	-	12,160	-	-	12,160
Comprehensive Income for the year 2015	-	-	-	535,466	535,466
Balance as at 31.03.2015	<u>300,000</u>	<u>150,000</u>	<u>655,885</u>	<u>3,183,083</u>	<u>4,288,968</u>

M/S TEX CARE MIDDLE EAST L.L.C., SHARJAH, U.A.E.
STATEMENT OF CASH FLOWS
For the year ended on 31st March 2015

	<u>Mar.2015</u> <u>AMOUNT</u> <u>DHS.</u>	<u>Mar.2014</u> <u>AMOUNT</u> <u>DHS.</u>
<u>CASH FLOWS FROM COMMERCIAL ACTIVITIES :</u>		
Comprehensive Income for the year	547,626	398,576
Financial Charges	298,603	215,476
Depreciation	164,983	198,134
Operating Profit before working changes	1,011,212	812,186
<u>(Increase)/Decrease in operating assets :</u>		
Closing Stock	(66,417)	122,430
Accounts Receivable	(130,809)	(1,252,533)
<u>Increase/(Decrease) in operating Liabilities :</u>		
Accounts Payable	(331,540)	212,932
Non Current Liability	42,835	14,225
Net Cash Flows from operating activities	A 525,281	(90,760)
<u>CASH FLOWS FROM INVESTING ACTIVITIES :</u>		
Increase in Fixed Assets	(127,332)	(136,783)
Net Cash Flows from investing activities	B (127,332)	(136,783)
<u>CASH FLOWS FROM FINANCING ACTIVITIES :</u>		
Bank Borrowing	(213,185)	966,366
Financial Charges	(298,603)	(215,476)
Net cash flows from financing activities	C (511,788)	750,910
Net Increase in cash and cash equivalents (A+B+C)	(113,839)	523,367
Cash & Cash equivalents at the beginning of the year	676,302	152,935
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	562,463	676,302

ACCOUNTING NOTES FOR THE FINANCIAL STATEMENTS

(I) LEGAL STATUS AND ACTIVITIES

M/s **Tex Care Middle East L.L.C.**, is a limited liability company, licensed by Economic Development Department, Government of Sharjah, in accordance to the Federal Company Law of 1984. The shareholders and their Capital and Profit Sharing ratio are as under:

<u>Name of the Partners</u>	<u>Nationality</u>	<u>Capital</u>	<u>Profit</u>
1. Mr. Shaikh Faisal Bin Khalid Bin Sultan Al Qasemi	(U.A.E. National)	51%	51%
2. M/s. Refinol Overseas Ltd., Mauritius. (Rep. by Mr. Mahendra Kishore Khatau., Indian National)		49%	49%

The main activities of the company is processing and trading in cleaning detergents.

(II) ACCOUNTING POLICIES

i ADOPTION OF NEW AND REVISED STANDARDS

The company has adopted the new and revised International Financial Reporting Standards (IFRSs) including the International Accounting Standards (IASs) and their interpretations that are relevant to its operations and effective on the current financial statements.

The Directors anticipate that all of the new and revised International Financial Reporting Standards (IFRSs) and Interpretations as applicable will be adopted in the company's financial statements for the year commencing 1 April 2015 or as and when it is applicable.

ii BASIS OF PREPARATIONS

The financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards adopted by the International accounting Standards Board (IASB). The significant accounting policies adopted, and that has been consistently applied, are as follows -

1. **Income & Expenditure :-** All income represent the invoiced goods and services delivered during the year on accrual basis. The expenses are also recognized on accrual basis.
2. **Stock of Material :-** Stock is based on physical count and is stated at the lower of cost and net realizable value, whichever is less using FIFO method. Obsolete and damaged stock are excluded and written off from the closing stock.
3. **Property, Plant and Equipment :-** Property, plant and equipment are recorded at cost. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the recoverable amount, assets are written down to their recoverable amount.
4. **Depreciation of Property, Plant and Equipment :-** Depreciation is calculated to write-off the cost on a straight line basis over the estimated useful lives of the assets concerned. The rates used are :

Leasehold Improvements	20%
Machineries, Office Equipments & Furniture Fixtures	20%
Vehicles	33.33%
5. **Foreign Exchange :** The functional currency of the establishment is AED. Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at that date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.
6. **Provision for staff benefits :-** Provision for staff benefits has been made as per U.A.E labour law and policies of the company.

7. Financial Instruments :-

(a) Derivatives & exchange rate risk:- The company does not use under derivative financial instruments for speculative purposes.

There is no exchange rate fluctuation risk since the transactions of the company is in AED and in USD to which AED is fixed,

(b) Credit Risk:- Financial Assets consist principally of cash and bank balances, trade debtors, prepayments and advances. Bank balances are with regulated financial institutions, Credit risk with respect to trade debtors is limited due to large number of customers comprising the company's base. The trade debtors are presented net of allowance from doubtful debts. Five largest customers accounts for 33% of outstanding accounts receivable at 31st March 2015 (2014:24%). At the balance sheet date, geographical distribution of trade debtors balance was as follows :

	<u>Mar.2015</u>	<u>Mar.2014</u>
UAE	36%	70%
GCC	22%	7%
AFRICA	11%	7%
ASIA	31%	16%
Total	100%	100%

(c) Suppliers Concentration risk:- As at 31st March 2015 top five trade creditors balance represents 52% (2014:62%) of the value of the trade creditors outstanding. All the trade creditors are concentrated in U.A.E.

(d) Fair Values:- At the Balance Sheet date the carrying amount of cash and bank balances, debtors, creditors and other liabilities approximated their fair values.

(e) Interest Rate Risk :- Interest is paid on borrowings from Bank as per prefix rates on existing borrowing.

8. Statutory Reserve :- In accordance to the Federal Company Law of 1984, 10% of profit is transferred to a statutory reserve until reserve equals 50% of the share capital. The statutory reserve is not available for distribution.

9. **Related Parties :-** Related Parties include Partners and their subsidiaries. The balances arising out of commercial transactions (including all Sales & Purchases) carried out. The management believes that the terms of such transactions are not significantly different from those that could be obtained from third parties. Sales include Dhs. 594,754/- to related parties and Purchases include Dhs. 663,805/- to related parties.
10. **Number of Employees :-** Number of employees as on 31/03/2015 was 15 (2014:14).
11. **Comparative Figures & Rounding off :-** We have rounded off the figures to nearest UAE Dirhams. Previous year figures have been reclassified wherever needed to facilitate current year presentation.
12. **Contingent Liability :-** Contingent liabilities as on 31/03/2015 are as under -

Ministry of Labour and Social Affairs :-

Labour Guarantee	AED 18,200/-
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M/S TEX CARE MIDDLE EAST L.L.C., SHARJAH, U.A.E.
(31st March 2015)

A PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Machinery & Equipments	Office Equipments	Furniture & Fixtures	Vehicles	Total
Cost as on 01/04/2014	68,170	641,456	173,160	64,523	586,377	1,533,686
Additions	-	54,869	2,463	-	70,000	127,332
Cost as on 31/03/2015	<u>68,170</u>	<u>696,325</u>	<u>175,623</u>	<u>64,523</u>	<u>656,377</u>	<u>1,661,018</u>
Accumulated Depreciation	65,388	468,137	166,501	60,183	467,210	1,227,419
Depreciation for the year	1,590	54,990	27	2,334	106,042	164,983
Total Depreciation as on 31/03/2015	<u>66,978</u>	<u>523,127</u>	<u>166,528</u>	<u>62,517</u>	<u>573,252</u>	<u>1,392,402</u>
W.D.V. as on 31/03/2015	<u>1,192</u>	<u>173,198</u>	<u>9,095</u>	<u>2,006</u>	<u>83,125</u>	<u>268,616</u>
W.D.V. as on 31/03/2014	<u>2,782</u>	<u>173,319</u>	<u>6,659</u>	<u>4,340</u>	<u>119,167</u>	<u>306,267</u>

Note : The vehicles are hypothecated with Bank against vehicle loan.

M/S TEX CARE MIDDLE EAST L.L.C., SHARJAH, U.A.E.
(31st March 2015)

	<u>Mar.2015</u> <u>AMOUNT</u> <u>DHS.</u>	<u>Mar.2014</u> <u>AMOUNT</u> <u>DHS.</u>
B INVESTMENTS		
Investment in Subsidiary (M/s. Tex Care Bahrain W.L.L)	87,210	87,210
Total	<u>87,210</u>	<u>87,210</u>

Note : The company is holding 49% of the shares in M/s. Tex Care Bahrain W.L.L. However as per record produced before us M/s. Tex Care Bahrain W.L.L is owned, controlled & managed by the M/s. Tex Care Middle East L.L.C., Sharjah, U.A.E.

C INVENTORY		
Raw Materials	396,150	366,469
Finished Goods	289,845	253,109
Less : Allowance for slow moving inventories	(72,000)	(72,000)
Total	<u>613,995</u>	<u>547,578</u>

Age-wise analysis of Inventory are shown as below :-

<u>YEARS</u>		
Within 1 Year	636,471	423,789
Between 1 to 2 years	49,524	195,789
Total	<u>685,995</u>	<u>619,578</u>

D ACCOUNTS RECEIVABLE		
Trade Debtors	2,562,938	2,059,784
Less : Provision for Bad Debts	(84,000)	-
Total Debtors	<u>2,478,938</u>	<u>2,059,784</u>

Due from related Party

M/s. Tex Care Bahrain W.L.L., Bahrain	-	79,675
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Deposits, Advances & Prepayments :-

Deposits	101,200	90,200
Advances to Suppliers	2,595,334	2,817,749
Staff Advances & Prepayments	276,207	273,462
Total	<u>5,451,679</u>	<u>5,320,870</u>

Note :- 1) Included in Deposits, Advances to suppliers & Prepayments AED 2,726,220/- (AED 2,769,176/- in 2014) due from M/s. Refnoi Resins & Chemicals Ltd., Ahmedabad
2) Included in deposits Dh. 18,200/- held by Ministry of Labour against guarantee issued.



M/S TEX CARE MIDDLE EAST L.L.C., SHARJAH, U.A.E.
(31st March 2015)

	<u>Mar.2015</u> <u>AMOUNT</u> <u>DHS.</u>	<u>Mar.2014</u> <u>AMOUNT</u> <u>DHS.</u>
<u>Age-wise analysis of Debtors are shown as below :-</u>		
<u>DAYS</u>		
0 to 180 Days	2,396,924	1,854,656
181 & Above	166,014	205,128
Total	<u>2,562,938</u>	<u>2,059,784</u>
E CASH AND CASH EQUIVALENTS		
Cash in hand	14,612	12,807
Cash at Bank	547,851	663,495
Total	<u>562,463</u>	<u>676,302</u>
F BANK BORROWING		
RAK Bank Long term loan payable	961,706	1,135,741
Less : Payable above one year	(752,666)	(962,186)
Net payable within one year	<u>209,040</u>	<u>173,555</u>
<u>Notes</u> : Above bank borrowings are against following securities :-		
1) Personal Guarantee of Mr. Arup Kumar Basu covering the full facilities		
2) Post dated cheques for the full facilities		
G ACCOUNTS PAYABLE		
Trade Creditors	746,493	1,069,043
Accrued Expenses	223,697	256,020
Vehicle Loan payable within one year	59,788	90,864
<u>Due to Related Party</u>		
M/s. Refnoi Overseas Ltd., Mauritius	433,596	410,263
Total	<u>1,463,574</u>	<u>1,826,190</u>

M/S TEX CARE MIDDLE EAST L.L.C., SHARJAH, U.A.E.
(31st March 2015)

	<u>Mar.2015</u> <u>AMOUNT</u> <u>DHS.</u>	<u>Mar.2014</u> <u>AMOUNT</u> <u>DHS.</u>
<u>Age-wise analysis of Creditors are shown as below :-</u>		
<u>DAYS</u>		
0 to 180 Days	-	29,962
181 & Above	746,493	1,039,081
Total	746,493	1,069,043
H NON CURRENT LIABILITY		
Provision for Gratuity	241,869	199,034
Vehicle Loan payable above one year	27,846	35,920
RAK Loan payable above one year	752,666	962,186
Total	1,022,381	1,197,140
I SHAREHOLDER'S LOAN A/C		
M/s. Refnoi Overseas Ltd., Mauritius	655,885	655,885
Total	655,885	655,885
Note : This amount represents an unsecured, 9% interest long term loan. The loan has no fixed repayment schedule.		
J COST OF SALES		
Opening Stock of Raw Material & Consumables	294,469	341,568
Purchases - Raw Material & Consumables	4,972,711	4,196,362
Less : Closing Stock of Raw Material & consumables	(324,150)	(294,469)
Raw Material Consumed		
Opening Stock of Finished Goods	253,109	328,440
Direct expenses	398,288	620,684
Depreciation (Plant & Machinery)	54,990	67,484
Closing Stock of Finished Goods	(289,845)	(253,109)
Total	5,359,572	5,006,960



M/S TEX CARE MIDDLE EAST L.L.C., SHARJAH, U.A.E.
(31st March 2015)

	<u>Mar.2015</u> <u>AMOUNT</u> <u>DHS.</u>	<u>Mar.2014</u> <u>AMOUNT</u> <u>DHS.</u>
K OTHER INCOME		
Interest & Commission	2,075	5,637
Total	<u>2,075</u>	<u>5,637</u>
L GEN. & ADMN. EXPENSES		
Salaries & staff benefits	850,252	740,234
Sponsorship Fees	45,000	45,000
Rent	150,000	170,000
Tel., Fax, Postage & Utility	80,116	72,643
Govt., Legal & Professional Charges	102,198	103,774
Conveyance, Travelling & Vehicle Maintenance	146,967	140,052
Repairs & maintenance	20,749	41,468
Miscellaneous Exp.	65,165	58,839
Total	<u>1,460,447</u>	<u>1,372,010</u>
M SELLING & DISTRIBUTION EXPENSES		
Business Promotion	413,316	363,631
Commission	919,469	667,250
Total	<u>1,332,785</u>	<u>1,030,881</u>