

**Man Overseas Metals DMCC
Dubai Multi Commodities Centre,
Dubai, U.A.E.**

**Auditors' Report & Financial Statements
For the year ended 31st March, 2016**

Man Overseas Metals DMCC
Dubai Multi Commodities Centre, Dubai, U.A.E.

Auditors' Report & Financial Statements
For the year ended 31st March, 2016

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Ref No.- Zenith/ 2016/ 12346

The Shareholder,
Man Overseas Metals DMCC,
Dubai Multi Commodities Centre, Dubai, U.A.E.

Independent Auditors' Report

We have audited the accompanying financial statements of **Man Overseas Metals DMCC**, which comprise the Statement of Financial Position as at **31st March, 2016**, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Changes in Equity 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(Continued on page 2)



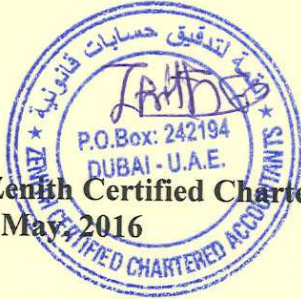
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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **Man Overseas Metals DMCC**, as of **31st March, 2016**, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Also, in our opinion, we are not aware of any contraventions during the year of the U.A.E. Federal Commercial Companies Law No. 2 of 2015 (as amended), or the Company's Articles of Association which may have material effect on the financial position of the company or the result of its operations for the year.

For Zenith Certified Chartered Accountants
22nd May 2016



Man Overseas Metals DMCC
Dubai Multi Commodities Centre, Dubai, U.A.E.

Statement of Financial Position
As at 31st March, 2016

	<u>Notes</u>	<u>2016</u> AED	<u>2015</u> AED
Non Current Assets:			
Tangible fixed assets	4	1,428,346	1,437,872
		<u>1,428,346</u>	<u>1,437,872</u>
Current Assets:			
Trade receivables	5	10,535,620	10,535,620
Cash and balance with bank	6	95,208	11,831
Advances, deposits and other receivables	7	5,311,894	2,391,241
		<u>15,942,722</u>	<u>12,938,692</u>
Total Assets		<u><u>17,371,068</u></u>	<u><u>14,376,564</u></u>
Equity:			
Share capital	2	500,000	500,000
Accumulated losses		(1,680,573)	(1,921,426)
		<u>(1,180,573)</u>	<u>(1,421,426)</u>
Current Liabilities:			
Loan from related party	8	14,924,625	13,069,430
Other payables and provisions	9	3,627,016	2,728,560
		<u>18,551,641</u>	<u>15,797,990</u>
Total Equity and Liabilities		<u><u>17,371,068</u></u>	<u><u>14,376,564</u></u>

The accompanying notes on pages 7 to 12 form an integral part of these financial statements.
The Report of the Auditors is set out on page 1 & 2.

For Man Overseas Metals DMCC



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Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31st March, 2016

	Notes	<u>2016</u> AED	<u>2015</u> AED
Operating Expenses			
Depreciation	4	(9,526)	(21,350)
Administration and selling expenses	10	(1,094,308)	(82,257)
Finance costs	11	(857,313)	(838,486)
Other income	12	2,202,000	220,200
		<u>240,853</u>	<u>(721,893)</u>
Net Profit / (Loss) for the Year		240,853	(721,893)
Other comprehensive income		-	-
Total Comprehensive Income / (Loss) for the Year		<u><u>240,853</u></u>	<u><u>(721,893)</u></u>

The accompanying notes on pages 7 to 12 form an integral part of these financial statements.
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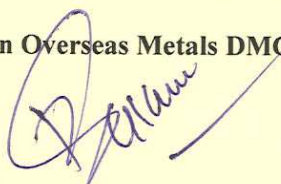

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Statement of Cash Flows
For the year ended 31st March, 2016

	<u>2016</u>	<u>2015</u>
	AED	AED
Cash flows from operating activities		
Total comprehensive income / (loss) for the year	240,853	(721,893)
Adjustment for :		
Depreciation	9,526	21,350
Operating cash flow before changes in net operating assets	250,379	(700,543)
<u>(Increase) / Decrease in Current Assets</u>		
Trade receivables	-	100,000
Advances, deposits and other receivables	(2,920,653)	(503,828)
<u>Increase / (Decrease) in Current Liabilities</u>		
Loan from related party	1,855,195	(1,695,161)
Other payables and provisions	898,456	2,728,560
Net cash flow from / (used in) operating activities (A)	83,377	(70,972)
Net increase / (decrease) in cash and cash equivalents (A)	83,377	(70,972)
Cash and cash equivalents at beginning of the year	11,831	82,803
Cash and cash equivalents at end of the year	95,208	11,831

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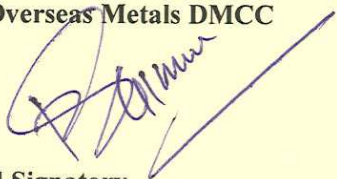
Statement of Changes in Equity
For the year ended 31st March, 2016

	Share capital	Accumulated losses	Total
	AED	AED	AED
At 1st April, 2014	500,000	(1,199,533)	(699,533)
Total comprehensive loss for the year	-	(721,893)	(721,893)
At 31st March, 2015	500,000	(1,921,426)	(1,421,426)
Total comprehensive income for the year	-	240,853	240,853
At 31st March, 2016	500,000	(1,680,573)	(1,180,573)

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Notes to the Financial Statements
For the year ended 31st March, 2016

1 Legal status and activities

- 1.1 **Man Overseas Metals DMCC** was registered in Dubai on 29th June, 2008 as a Limited Liability Company with license no. DMCC-30895 issued by Dubai Multi Commodities Centre, Government of Dubai under the U.A.E. Federal Commercial Company Law. The registered address of the company is P.O. Box 56754, Dubai, U.A.E.
- 1.2 The company is controlled and managed by Mr. Nikhil Ramesh Chandra Mansukhani, an Indian national.
- 1.3 The company is primarily engaged in business of basic non ferrous metal products, steel and basic steel products trading.

2 Shareholding

- 2.1 The shareholding of the company is as follows:

Name	Origin	No. of shares	Value per share AED	Total value AED	% age
1. M/s. Man Industries (India) Limited	India	500	1,000	500,000	100
		500		500,000	100

- 2.2 The authorized and paid up share capital of the company is AED 500,000/- divided into 500 shares of AED 1,000/- each.

3 Significant Accounting Policies

a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), and applicable requirements of the U.A.E. Law. The financial statements are presented in Arab Emirates Dirham (AED).

i) Application of new and revised International Financial Reporting Standards (IFRS)

New and revised IFRSs applied with no material effect on the financial statements

- Amendments to IAS 32 "Financial Instruments : Presentation": Offsetting Financial Assets and Financial Liabilities.
- Amendments to IAS 36 "Impairment of Assets": Recoverable amount disclosures for Non-Financial Assets.
- Amendments to IAS 39 "Financial Instruments: Recognition and Measurement":

New and revised IFRSs Effective for annual periods beginning on or after

- Annual Improvements to IFRS 2010 - 2012 Cycle July 1, 2014
- Annual Improvements to IFRS 2011 - 2013 Cycle July 1, 2014
- IFRS 13 "Fair Value Measurement": scope of the portfolio exception
- Annual Improvements to IFRS 2012 - 2014 Cycle January 1, 2016
- IFRS 9 "Financial Instruments" January 1, 2018



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New and revised IFRSs in issue but not yet effective

- The following new and revised IFRSs have been adopted in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years
- IFRS 7 "Financial Instruments: Disclosures": additional guidance on servicing contracts.
- IAS 16 "Property, Plant and Equipment": proportionate restatement of accumulated depreciation on revaluation.
- IAS 38 "Intangible Assets": proportionate restatement of accumulated depreciation on revaluation.
- IAS 40 "Investment Property": interrelationship between IFRS 3 and IAS 40.17

Management anticipates that the adoption of these standards, amendments and interpretations will have no material impact on the financial statements of the company in the period of initial application.

b) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB).

c) Accounting convention

These financial statements have been prepared under the historical cost convention. The fair / net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under IFRSs.

d) Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of judgments. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

The areas where various assumptions were exercised in application of accounting policies that are significant to the financial statements are as:

- i Useful life of property, plant and equipment.
- ii Allowance for doubtful debts, specific provisions for individual accounts are recorded based on customer's inability to meet its financial obligations.

At the end of each reporting period, management conducts an assessment of each of the assets referred-to above 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 and changes are reflected in the financial statements of the period of change and, if material their effects are disclosed in the financial statements. These are explained in the notes on the respective items of assets in the accounting policies.

e) Foreign currency transactions

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the end of the reporting period.

Gains or losses resulting from settlement of foreign currency transactions are taken to the 'Statement of Comprehensive Income' on net basis as either 'Foreign exchange gains' or 'Foreign exchange losses' and included in 'Other operating income' or 'Other operating expenses' respectively.



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f) Tangible fixed assets

Tangible fixed assets is stated at cost less accumulated depreciation and identified impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items including installation costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the reporting period in which they are incurred.

The depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

	%
Building	5
Furniture and fixtures	20
Office equipments	20

Full month's depreciation is charged in the month of addition while no depreciation is charged in the month of disposal of fixed assets. Repairs and renewals are charged to income as and when the expenditure is incurred. The gains or losses arising on the disposal or retirement of an item of property and equipment is determined by comparing the disposal proceeds with the carrying amount of the asset and is recognized in the profit or loss.

g) Impairment of assets

The carrying amount of the entity's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in Statement of Comprehensive Income.

h) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets otherwise as non-current assets. Trade receivables are carried at the invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off when identified.

i) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of Cash Flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the Statement of Financial Position.

j) Provisions and accruals

Liabilities are recognized for amounts to be paid in future for goods and services rendered, whether or not billed to the Concern.

Provisions are recognized when the Concern 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 of the amount of the obligation can be made.

k) Staff terminal benefits - Gratuity

Amounts required to cover end of service indemnity at the balance sheet date are computed pursuant to the United Arab Emirates Federal Labour Law based on the employees' accumulated period of service and current basic remuneration at the balance sheet date.

Employees' end of service benefits are accounted on cash payment basis.



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4 Tangible fixed assets

Cost	Building	Furniture and fixtures	Office equipments	Total
	AED	AED	AED	AED
At 1st April, 2015	1,428,344	182,526	8,033	1,618,903
At 31st March, 2016	<u>1,428,344</u>	<u>182,526</u>	<u>8,033</u>	<u>1,618,903</u>
Accumulated depreciation				
At 1st April, 2015	-	173,401	7,630	181,031
Charge for the year	-	9,124	402	9,526
At 31st March, 2016	<u>-</u>	<u>182,525</u>	<u>8,032</u>	<u>190,557</u>
Net book value				
At 31st March, 2016	<u>1,428,344</u>	<u>1</u>	<u>1</u>	<u>1,428,346</u>
At 31st March, 2015	<u>1,428,344</u>	<u>9,125</u>	<u>403</u>	<u>1,437,872</u>

4.1 As per the management decision depreciation on Building has not been charged for the year.

		2016 AED	2015 AED
5 Trade receivables	(Note 6.1)	10,535,620	10,535,620
5.1 Age analysis	AED		
Above 365 days	10,535,620		
Geographical analysis	AED		
Within U.A.E. and G.C.C.	10,535,620		
6 Cash and balance with bank			
Cash in hand		-	3,936
Cash at bank		95,208	7,895
		95,208	11,831
7 Advances, deposits and other receivables			
Advances against property		1,900,438	426,696
Deposits		7,165	7,165
Other receivables	(Note 8.1)	3,404,291	1,957,380
		5,311,894	2,391,241

7.1 This represents loan given to individuals, which is interest free, unsecured and recoverable on demand.



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		2016	2015
		AED	AED
8 Related party transactions			
For the year ended 31st March, 2016, following are the details of related party transactions:			
8.1 Loan from related party	AED	14,924,625	13,069,430
Total credits	14,924,625		
9 Other payables and provisions			
Other payables	(Note 9.1)	3,620,834	2,722,310
Accrued expenses		6,182	6,250
		3,627,016	2,728,560
9.1	This represents loan taken from individuals, which is interest free, unsecured and payable on demand.		
10 Administration and selling expenses			
Travelling and conveyance		28,940	470
Legal, professional and visa charges		764,340	6,000
Business promotion expenses		37,000	-
Salaries and benefits		223,784	30,000
Communication and utilities		8,505	-
Printing and stationery		-	77
Postage and courier		-	260
Vehicle running and maintenance		-	390
Repair and maintenance		30,934	44,652
Other expenses		805	408
		1,094,308	82,257
11 Finance costs			
Bank charges and interest on related party loan		857,313	838,486
12 Other income			
Service income		2,202,000	220,200
13 Fair value of financial instruments			

The company's financial instruments are accounted for under the historical cost convention. Fair value represents the amount at which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, therefore, differences can arise between values under the historical cost method and fair value estimates. The fair value of the company's financial instruments is not materially different from the carrying value at 31st March, 2016.



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14 Interest rate risk

Significant financial instruments, other assets and other liabilities of the company as at 31st March, 2016 are not interest based.

15 Liquidity risk

This is the risk where the concern will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management monitors its cash requirements to ensure adequacy of funding from banks. If necessary, funds are arranged from the shareholder and the related party to ensure that the payment obligations are met on time.

16 Exchange rate risk

Since the main underlying currencies of the financial instruments, other assets, other liabilities and transactions are in U.A.E. Dirhams and U.S. Dollars, the company is not exposed to a significant exchange rate risk.

17 Contingencies and commitments

As at 31st March, 2016, the company had no contingencies and commitments.

18 Comparative figures

Previous year's figures have been reclassified / regrouped wherever necessary to conform to the presentation adopted in these financial statements. Figures of the company have been rounded off to nearest AED 1/-.

The accompanying notes on pages 7 to 12 form an integral part of these financial statements.
The Report of the Auditors is set out on page 1 & 2.

For Man Overseas Metals DMCC



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