

***Amara Raja Batteries Middle East (FZE)***  
SAIF Zone, Sharjah - UAE.

***Financial Statements and Auditors Report***  
*For the period from 31<sup>st</sup> July 2018 to 31<sup>st</sup> March 2019.*

*Amara Raja Batteries Middle East (FZE),*  
SAIF Zone, Sharjah - UAE.

**Financial Statements and Auditors Report**  
**For the period from 31st July 2018 to 31st March 2019**

<b>Contents</b>	<b>Page</b>
<b>Establishment Information</b>	<b>1</b>
<b>Auditor's Report</b>	<b>2 - 3</b>
<b>Statement of Financial Position</b>	<b>4 - 5</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>	<b>6</b>
<b>Cash Flow Statement</b>	<b>7</b>
<b>Statement of Changes in Equity</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9 - 26</b>

**Amara Raja Batteries Middle East (FZE)**  
SAIF Zone, Sharjah - UAE.

**Establishment information**

---

**Address** : SAIF Office P8 - 15 - 64,  
P.O. Box No: 124018  
Sharjah - UAE.

**Financial Period** : 31st July 2018 to 31st March 2019

**Owner** : **Incorporated in**  
M/s. Amara Raja Batteries Limited India

**Manager** : **Nationality**  
Mr. Rohit Arora Indian

**The Auditors** : **M/s. ASP Auditing**  
P.O. Box No. 103528  
Dubai - UAE  
Tel: +971 - 4 - 3353970  
Email: aspa@emirates.net.ae

**The Main Banker** : Emirates NBD

---

To,  
The Shareholder,  
M/s. Amara Raja Batteries Middle East (FZE),  
SAIF Zone, Sharjah - UAE.

**Auditor's Report**

We have audited the attached Statement of Financial Position of M/s. Amara Raja Batteries Middle East (FZE), SAIF Zone, Sharjah, UAE as at 31<sup>st</sup> March 2019 and related statements of Profit or Loss and Other Comprehensive Income, Cash Flows and Changes in Equity for the period then ended.

**Management 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 and the provisions of the Implementing Rules and Regulations issued by the Sharjah Airport International Free Zone Authority pursuant to Sharjah Emiri Decree No. 2 of 1995 as amended by Sharjah Executive Council Resolution No. (1) of 2000 applicable for entities in Sharjah Airport International Free Zone, Sharjah. 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**

We conducted our audit in accordance with the International Standards of Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### Opinion

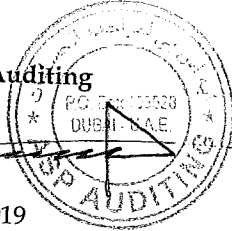
In our opinion, the above referred Financial statements present fairly, in all material respects, the financial position of M/s. Amara Raja Batteries Middle East (FZE), SAIF Zone, Sharjah, UAE as at 31<sup>st</sup> March 2019 and the results of its operations, cash flows and changes in equity for the period ended is in accordance with International Financial Reporting Standards.

### Report on other legal and regulatory requirements

As required by the provisions of the Implementing Rules and Regulations issued by the Sharjah Airport International Free Zone Authority pursuant to Sharjah Emiri Decree No. 2 of 1995 as amended by Sharjah Executive Council Resolution No. (1) of 2000 applicable for entities in Sharjah Airport International Free Zone, Sharjah, we further confirm that,

1. We have obtained all the information and explanations necessary for our audit.
2. We are not aware of any contraventions during the period of the above mentioned law which may have materially affected the financial position of the establishment or the result of its operations for the period.

For ASP Auditing



June 26, 2019  
License No.: 563310  
Ministry Regn.: 245/29.04.1998  
Huda Yousif Ali Ahmed Al Ansaari

*Amara Raja Batteries Middle East (FZE)*  
 SAIF Zone, Sharjah - UAE

**STATEMENT OF FINANCIAL POSITION**  
 As at 31st March 2019

<b>ASSETS</b>	Note	Mar-19
<b>NON -CURRENT ASSETS</b>		
Property, Plant and Equipment	6	277
<b>Total Non-Current Assets</b>	<b>A</b>	<b>277</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	7	43,906
Other Current Assets	8	36,986
<b>Total Current Assets</b>	<b>B</b>	<b>80,892</b>
<b>TOTAL ASSETS</b>	<b>A+B</b>	<b><u>81,169</u></b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	5 & 11	150,000
Shareholder Current Account	12	54,740
Retained Earnings	13	(147,175)
<b>Total Equity</b>	<b>C</b>	<b>57,565</b>

(Cont.)

*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE

**STATEMENT OF FINANCIAL POSITION (Cont.)**  
As at 31st March 2019

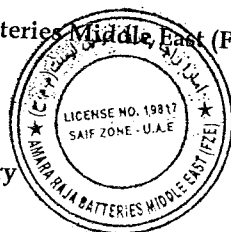
LIABILITIES	Note	Mar-19 AED
<b>NON CURRENT LIABILITIES</b>		
Total Non Current Liabilities	D	-
<b>CURRENT LIABILITIES</b>		
Trade & Other Payables	9	17,447
Accruals and Provisions	10	6,157
<b>Total Current Liabilities</b>	<b>E</b>	<b>23,604</b>
<b>TOTAL LIABILITIES</b>	<b>D+E</b>	<b>23,604</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>C+D+E</b>	<b>81,169</b>

The notes on pages 9 to 26 form an integral part of these financial statements.

These financial statements were approved on June 20, 2019

For Amara Raja Batteries Middle East (FZE)

Authorised Signatory



The report of the auditors is set on page 2 and 3

*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the Period from 31st July 2018 to 31st March 2019

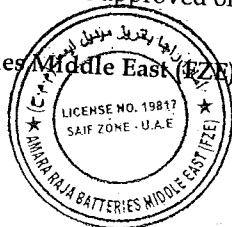
	Note	Mar-19 AED
<b>Continuing Operations</b>		
Sales		-
Cost of Sales		-
<b>Gross Profit</b>		-
<b>Other Income</b>		-
<b>Operating Expenses</b>		
Employee Cost & Benefits		-
General & Administration Expenses	F	(90,026)
Financial Charges	G	(55,014)
Depreciation on Property, Plant and Equipment		(1,919)
<b>Total Operating Expenses</b>		(216)
		<b>(147,175)</b>
<b>Loss for the period</b>		<b>(147,175)</b>
Other Comprehensive Income		-
<b>Total Comprehensive Income For the period</b>		<b>(147,175)</b>
<b>Loss for the period:</b>		
<b>Attributable to Shareholder</b>		<b>(147,175)</b>

The notes on pages 9 to 26 form an integral part of these financial statements.

These financial statements were approved on June 20, 2019

For Amara Raja Batteries Middle East (FZE)

Authorised Signatory



The report of the auditors is set on page 2 and 3



**Amara Raja Batteries Middle East (FZE)**  
SAIF Zone, Sharjah - UAE

**CASH FLOW STATEMENT**

For the Period from 31st July 2018 to 31st March 2019

	<b>Mar-19</b>
	<b>AED</b>
<b>Cash Flow from Operating Activities</b>	
Net Loss as per Profit & Loss Account	(147,175)
Adjustment for non-cash items	
Depreciation	216
Operating Cash Flow before working capital changes	(146,959)
<b>Changes in net Working Capital</b>	
(Increase) / Decrease in Other Current Assets	(36,986)
Increase / (Decrease) in Trade & Other Payables	17,447
Increase / (Decrease) in Accruals & Provisions	6,157
Net Cash Flow from / (used) from Working Capital	(13,382)
Operating Cash Flow after working capital changes	(160,341)
<b>Cash flow from Financing Activities</b>	
Net Changes in Shareholder Current Account	204,740
Net Cash Flow from / (used) in Financing Activities	204,740
<b>Cash flow from Investing Activities</b>	
Net Changes in Property, Plant and Equipment	(493)
Net Cash Flow from /-(used) in Investing Activities	(493)
Net increase / (decrease) in cash & cash equivalents	43,906
Cash & Cash equivalents in the beginning of the period	-
Cash & Cash equivalents at the end of the period	43,906

The notes on pages 9 to 26 form an integral part of these financial statements.

These financial statements were approved on June 20, 2019

For Amara Raja Batteries Middle East (FZE)

Authorised Signatory



The report of the auditors is set on page 2 and 3

*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE

**STATEMENT OF CHANGES IN EQUITY**  
For the Period from 31st July 2018 to 31st March 2019

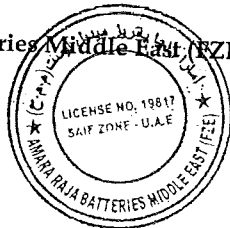
Particulars	Share Capital	Shareholder Current Account	Retained Earnings	Total
	AED	AED	AED	AED
Balance as on 31st July 2018	-	-	-	-
Net Movements of the period	150,000	54,740	-	204,740
Loss of the period	-	-	(147,175)	(147,175)
Balance as on 31st March 2019	150,000	54,740	(147,175)	57,565

The notes on pages 9 to 26 form an integral part of these financial statements.

These financial statements were approved on June 20, 2019

For Amara Raja Batteries Middle East (FZE)

Authorised Signatory



The report of the auditors is set on page 2 and 3

*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE.

**Notes to the Financial Statements**

**As at 31st March 2019**

**1 Legal Status and Activities**

1.1 M/s. Amara Raja Batteries Middle East (FZE), is a Free Zone Establishment with limited liability registered with the Sharjah Airport International Free Zone Authority, Government of Sharjah, UAE vide Commercial License No.: 19817. The Original License has been granted on the 31<sup>st</sup> day of July 2018.

1.2 The registered address of the Establishment is SAIF Office P8 - 15 - 64, P.O. Box No: 124018, SAIF Zone, Sharjah - UAE.

1.3 **The Owner of the Establishment is:**

M/s. Amara Raja Batteries Limited, Incorporated in India

100% Holder

*(Represented by Mr. Rohit Arora, Indian National)*

1.4 Mr. Rohit Arora, Indian National, is manager of the Establishment and takes care of the day to day activities of the Establishment.

1.5 The Establishment is engaged in the activity of Trading in Batteries and Related Products.

**2. Application of new and revised International Financial Reporting Standards (IFRS)**

2.1 New and revised IFRSs effective for accounting periods beginning on or after 01<sup>st</sup> January 2018:  
The following new and revised IFRSs which became effective for the annual periods beginning on or after 01<sup>st</sup> January 2018 have been adopted in these financial statements.

*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE.

<u>New and revised IFRSs</u>	<u>Summary of requirements</u>
	<p>The amendments delete certain short term exemptions in IFRS 1 because the reporting period to which the exemptions applied have already passed.</p> <p>Amendments to clarify the classification and measurement of share-based payment transactions.</p> <p>Amendments relating to the different effective dates of IFRS 9 - Financial Instruments in the forthcoming new insurance contracts standard.</p> <p>Disclosures relating to the additional hedge accounting disclosures and consequent amendments resulting from the introduction of hedge accounting chapter in IFRS 9 Financial Instruments,</p> <p>Amendment to para 57 states that an entity shall transfer a property to, or from, investment property when and only when, there is evidence of change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in the management's intentions for the use of property by itself does not constitute evidence of change in use. The para has been amended to state that the list of examples therein is non - exhaustive.</p> <p>Annual Improvements to IFRSs - 2014-2016 cycle to remove short term exemptions and clarifying certain fair value measurements.</p> <p>The interpretation addresses foreign currency transactions or parts of transactions where:</p> <ul style="list-style-type: none"> <li>- There is consideration that is denomination or priced in a foreign currency;</li> <li>- The entity recognizes a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and</li> <li>- The prepayment asset or deferred income liability is non - monetary.</li> </ul>

**Amara Raja Batteries Middle East (FZE)**  
SAIF Zone, Sharjah - UAE.

<p>Amendments to IAS 28 <i>'Investment in Associate and Joint Ventures'</i></p>	<p>Amendments providing clarifications on measuring at fair value through profit or loss</p>
<p>IFRS 9 <i>'Financial Instruments replaces IAS 39 Financial Instruments'</i></p>	<p>Recognition and Measurements for annual periods beginning on or after 01st January 2018, bringing together all three aspects of accounting for financial instruments: classification and measurements; impairment and hedge accounting</p>

**2.2 New and revised IFRSs in issue but not effective:**

The Establishment has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and Revised IFRSs	Effective for annual periods beginning on or after
<p>IFRIC 23 Uncertainty over Income Tax Treatments The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:</p> <ul style="list-style-type: none"> <li>- Whether tax treatments should be considered collectively;</li> <li>- Assumptions for taxation authorities examinations;</li> <li>- The determination of taxable profits (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and</li> <li>- The effect of changes in facts and circumstances</li> </ul>	<p>01<sup>st</sup> January 2019</p>
<p>Annual Improvements to IFRS Standards 2015-2017 cycle amending IFRS 3 - Business Combinations, IFRS 11 - Joints Arrangements, IAS 12 - Income Taxes and IAS 23 - Borrowing Costs</p>	<p>01<sup>st</sup> January 2019</p>
<p>IFRS 16 - Leases: specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.</p>	<p>01<sup>st</sup> January 2019</p>

*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE.

Amendments to IAS 28 - Investments in Associates and Joint Ventures: Relating to the long term interests in associates and joint ventures. These amendments clarify that an entity applies IFRS 9 - Financial Instruments to long term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	01 <sup>st</sup> January 2019
IFRS 17 - Insurance Contracts: requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 01 <sup>st</sup> January 2021	01 <sup>st</sup> January 2021
Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.	Effective date deferred indefinitely. Adoption is still not permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Establishment's financial statements as and when they are applicable and the adoption of these new standards, interpretations and amendments except for IFRS 16 may have no material impact on the condensed financial statements of the Establishment in the year of initial application.

Management anticipates that IFRS 16 will be adopted in the Establishment's financial statements for the annual period beginning 01<sup>st</sup> January 2019

**3. Financial instruments, Financial assets, Financial liabilities**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial asset or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE.

Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on the trade date i.e. the date when the Company commits to purchase or sell the asset.

The classification of financial instruments depends on the objective of the Company's business model for which it is held and on the substance of the contractual terms / arrangements. Management determines the classification of its financial instruments at initial recognition.

**(i) Financial assets**

**Recognition:** Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

**Classification:** Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held within a business model solely for collection of cash flows arising from payments of principal and/ or interest as per contractual terms. Such assets are subsequently measured at amortised cost using the effective interest method, less any impairment loss.
- (b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah – UAE.

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election on an instrument by instrument basis at initial recognition may be made to present subsequent changes in fair value through other comprehensive income. This election is not permitted if the equity instrument is held for trading.

**Impairment:** The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

**Reclassification:** When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.



*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE.

**De-recognition:** Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- (a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously recognized in other comprehensive income and accumulated in the "equity instruments through other comprehensive income" will not be reclassified to profit or loss on disposal of the investments.

#### **(ii) Financial liabilities**

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised 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, to the net carrying amount on initial recognition.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry. The difference between the carrying amount of the financial liabilities de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

#### **Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE.

**4 Significant Accounting Policies**

**Basis of Preparation**

These Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and applicable rules and regulation of the UAE Law & SAIF Zone Rules and Regulations. The significant accounting policies, which have been applied, are set out below:

**a) Accounting Convention:**

These Financial Statements have been prepared under the historical Cost convention. The accounting policies have been consistently applied by the Establishment.

**b) Revenue recognition:**

Income is recognized when it is earned, not necessarily when received. Expenses and charges have been recognized when it was incurred, not necessarily when paid.

**c) Property, Plant & Equipment:**

Property, Plant & Equipment is stated at historical cost less accumulated depreciation and identified impairment loss, if any. The cost comprises of purchase price, levies, duties and any directly attributable costs of bringing the asset to its working condition. The cost of property, plant & equipment is depreciated using the Straight line method over their estimated useful economic lives as follows:

- Office Equipment's                      05 years

The Carrying value of Property, Plant & Equipment is viewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the statement of comprehensive income as the expense is incurred.

The Assets residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each financial period end.

**d) Foreign Currency Transactions:**

Foreign currency transactions are recorded in UAE Dirhams at the approximate rate of exchange ruling at the time of the transaction. Assets and liabilities expressed in foreign currencies at the statement of financial position date are converted into UAE Dirhams at the period end rate of exchange. All foreign currency gains and losses are booked in the statement of income as they arise.

**e) Revenue:**

Income represents the invoiced value of goods sold/services rendered during the period, net of discounts and returns.

**f) Trade receivable:**

The schedule of Trade receivable represents amounts falling due as on the date of Statement of financial position. Trade receivables are normally requiring the amounts to be received within 30 days from the date of invoice. Bad debts are written off as and when they arise. Trade receivables are stated net of provision for doubtful debts and discounts. As on the date of statement of financial position there are no trade receivables.

*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE.

**g) Rounding off:**

The figures stated in the attached Financial Statements are rounded off to the nearest UAE Dirhams.

**h) Employees' Terminal benefits:**

Provision is made in Trade for end of service benefits due to employees in accordance with UAE federal labour Laws No (8) period 1980 and SAIF Zone Rules and Regulations. Provision is made for amounts payable under the UAE Labour Law applicable to employees' accumulated period of service at the statement of financial position.

**i) Fair Value of financial instruments:**

The value of all classes of financial assets and financial liabilities, as recorded in the statement of financial position approximate the fair value of these assets and liabilities.

**j) General:**

In the opinion of the management all the assets as shown in the Financial Statements are existing and realizable at the amount shown against and there are no liabilities against the Establishment contingent or otherwise not included in the above Financial Statements.

**k) Profit and Loss account:**

The Establishment's profit is arrived at after charging all expenses, incurred in day to day operations of the business and in maintaining Property, Plant and Equipment.

**l) Trade payable:**

The schedule of Trade payable represents amounts falling due as on the date of statement of financial position. Trades payable are normally settled within 30 days. Liabilities are recognized for amounts to be paid in the future for goods of services whether or not billed to the Establishment.

**m) Inflationary Factor:**

No adjustments have been made in these Financial Statements to identify the inflationary factor.

*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE.

n) **Key Sources of Estimation Uncertainty**

The entity management set out the entity's overall business strategies and its risk management policy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the entity. The entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the entity's policy guidelines are complied with.

There has been no change to the entity's exposure to the financial risks or the manner in which it manages and measures the risk.

The entity is exposed to the following risks related to financial instruments. The entity has not framed formal risk management policies; however, the risks are monitored by management on a continuous basis. The entity does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

a) Foreign Currency risk management

The entity undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date based on contractual repayment agreements were as follows:

**Amara Raja Batteries Middle East (FZE)**  
 SAIF Zone, Sharjah - UAE.

Particulars	Interest Bearing			Non Interest Bearing			Total
	On Demand or Less than 3 Months	Within 1 Period	More than 1 Period	On Demand or Less than 3 Months	Within 1 Period	More than 1 Period	
<b>As at 31st March 2019</b>							
<b>Financial Assets</b>							
Cash and Bank Balances	-	-	-	43,906	-	-	43,906
<b>TOTAL</b>	-	-	-	<b>43,906</b>	-	-	<b>43,906</b>
<b>Financial Liabilities</b>							
Trade Payable	-	-	-	493	-	-	493
<b>TOTAL</b>	-	-	-	<b>493</b>	-	-	<b>493</b>

c) Credit Risk Management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the entity. The entity has adopted a policy of only dealing with the credit worthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly and the entity maintains and allowances for doubtful debts based on expected collectability of all Trade receivable.

Trade receivable consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of Trade receivable. Further details of credit risk on trade and other receivables are disclosed in the notes to financial statements.

The credit risk on liquid funds is limited because the counterparties are banks with high credit- ratings assigned by international credit-ratings agencies.

*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE.

The Establishment is exposed to credit risk on its Bank Balances as follows:

Particulars	31 <sup>st</sup> March 2019
	AED
Bank Balances	43,906
<b>TOTAL</b>	<b>43,906</b>

The Establishment seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting limits for individual customers and monitoring outstanding accounts receivable.

With respect to credit risk arising from the other financial assets of the Establishment, including cash and cash equivalents, the Establishment's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

d) Capital risk management

The Establishment's objectives when managing capital to safeguard the Establishment's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholder and to maintain an optimal capital structure to reduce the cost of capital. The director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

In order to maintain or adjust the capital structure, the Establishment may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt consistent with others in the industry, the Establishment monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less Cash at Bank.

The Establishment manages its capital structure and makes adjustments to it, in light of changed in economic conditions. No Changes were made in the objectives, Policies or Processes during the period from 31<sup>st</sup> July 2018 to 31<sup>st</sup> March 2019 Capital Consists of Share Capital, Shareholder Current account and Retained Earnings and is measured at Balance of AED. 57,565 /- as at 31<sup>st</sup> March 2019.

*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE.

e) Useful Lives of Property and Equipment

The Establishment's management determines the estimated useful lives of its property and equipment for calculating depreciation. This Estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

o) Contingencies and commitments:

As at 31st March 2019 the Establishment doesn't have any contingencies and commitments.

p) Exchange Rate Risk:

Since the main currencies of the financial instruments, other assets, liabilities and trading transactions including purchase and sales are UAE Dirhams and US Dollars, the Establishment is not exposed to any significant exchange rate risk.

q) Financial Charges:

The Financial Charges includes bank and other charges related to finance.

r) Corresponding Figures:

As this being first period of commencement of business, the corresponding figures are not applicable.

s) Operating Segments:

For management purpose the Establishment is organized into a single operating segment called Trading in Batteries and Related Products.



*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE.

5. Share Capital

31st March 2019

*Authorized, Subscribed, Issued, and Paid up Share Capital;*  
(-1, Share of Dhs.150,000/- each)

Dhs. 150,000/-

**Held By**

Shareholder and its holdings;

M/s. Amara Raja Batteries Limited, Incorporated in India  
(Represented by Mr. Rohit Arora, Indian National)

1 Share

Dhs. 150,000/-

**Total**

1 Share

Dhs. 150,000/-

*Amara Raja Batteries Middle East (FZE)*

SAIF Zone, Sharjah - UAE

*Notes to the Financial Statements*

31st March 2019

**6. Property, Plant and Equipment**

	Office Equipments	Total
	AED	AED
<b>Cost</b>		
Opening Value	-	-
Additions	493	493
Deletions	-	-
Total Cost	493	493
<b>Depreciation</b>		
Opening Value	-	-
Charge for the period	216	216
Accumulated as on 31st March 2019	216	216
<b>Closing Value</b>		
Opening Value	-	-
As on 31st March 2019	277	277

*Amara Raja Batteries Middle East (FZE)*  
 SAIF Zone, Sharjah - UAE

*Notes to the Financial Statements*

31st March 2019

	Mar-19
	AED
<b>7. Cash &amp; Cash Equivalents</b>	
Cash at Bank	43,906
	43,906
<p>Cash and Cash Equivalents are items, which are readily convertible to known amounts of Cash and which are subject to insignificant risk of change in value.</p>	
<b>8. Other Current Assets</b>	
Deposits	5,050
Loans & Advances	6,666
Prepayments	25,270
	36,986
<b>9. Trade &amp; Other Payables</b>	
Trade Payables	493
Other Payables	16,954
	17,447
<i>Ageing Analysis:</i>	
0 - 30 days	493
	493
<b>10. Accruals &amp; Provisions</b>	
Accrued Expenses	6,157
	6,157
<b>11. Share Capital Account</b>	
Balance at the beginning of the period	-
Add: Additional Capital Introduced	150,000
Balance at the end of the period	150,000

*Amara Raja Batteries Middle East (FZE)*  
SAIF Zone, Sharjah - UAE

31st March 2019

*Notes to the Financial Statements*

	Mar-19
	AED
<b>12. Shareholder Current Account</b>	
Balance at the beginning of the period	-
Add: Additional Funds Introduced	54,740
Balance at the end of the period	54,740
<b>13. Retained Earnings</b>	
Balance at the beginning of the period	-
Add: Net Loss for the period	(147,175)
Balance at the end of the period	(147,175)
<b>F. Employee Cost &amp; Benefits</b>	
Salaries & Benefits	90,026
	90,026
<b>G. General and Administration Expenses</b>	
Rent & Accommodation	13,370
Office Maintenance Charges	316
Printing & Stationery	50
License, Professional & Other Legal Charges	41,278
	55,014

1

(

0

)