



### COMPANY INFORMATION

<b>DIRECTORS</b>	:	<b>ANIL KUMAR MITTAL ARUN KUMAR GUPTA ANOOP KUMAR GUPTA</b>
<b>MANAGER</b>	:	<b>ANOOP KUMAR GUPTA</b>
<b>COMPANY LICENSE NO.</b>	:	<b>30637</b>
<b>ADDRESS</b>	:	<b>AG TOWER 14 K, JUMERIAH LAKE TOWERS DUBAI, UAE</b>
<b>AUDITORS</b>	:	<b>AL KTTBI &amp; ASSOCIATES CHARTERED ACCOUNTANTS P.O. BOX : 114429 DUBAI, U.A.E.</b>

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## DIRECTORS' REPORT

**THE DIRECTORS** have pleasure in presenting their report and the audited financial statements for the year ended March 31, 2010.

### PRINCIPAL ACTIVITIES:

The main activities of the Company are unchanged since the previous year and consist of trading in commodities.

### BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENTS:

The Company's turnover was Nil for the year ended March 31, 2010 {previous year: Rs. 66,27,15,225 (AED 5,37,24,215)}. The Company's gross margin was -Nil-(2009:21.67%) and a net profit of Rs. 17,43,11,097 (AED: 1,38,15,357) {previous year Rs.19,08,37,166 (AED 1,48,96,754)} during the year. The Directors are optimistic about the prospects for the ensuing year and expect to improve the performance of the Company.

### RISK MANAGEMENT & INTERNAL CONTROL SYSTEMS:

The Company is committed to the management of risk to achieve sustainability, employment and surpluses. The risk management framework identifies, assesses, manages and reports risk on a consistent and reliable basis. The primary risks are those of credit, market (liquidity, interest rate, foreign exchange) and operational risk.

The management recognises their responsibility for system of internal control and for reviewing its effectiveness. In view of the above, Company continuously monitors risks through means of administrative and information systems. Periodic MIS reports are generated which help to mitigate risks and provide full transparency.

### GOING CONCERN:

The attached financial statements has been prepared on the going concern basis as, after making appropriate enquiries with operational department, the Directors have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future.

### CREDITORS PAYMENT POLICY:

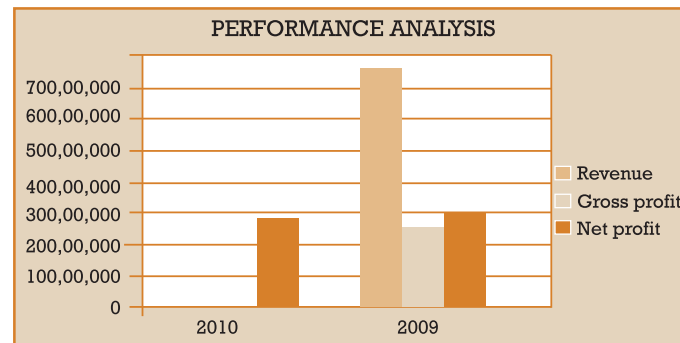
The Company maintain a policy of paying suppliers in accordance with terms and conditions agreed with them.

### EVENTS AFTER YEAR END:

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect, substantially the result of the operations of the Company for the financial year then ended.

### PERFORMANCE ANALYSIS:

	2010 Rs.	2009 Rs.
Revenue	Nil	66,27,15,225 (AED 5,37,24,215)
Gross profit	Nil	14,44,57,593 (AED 1,16,43,872)
Net profit	17,43,11,097 (AED 1,38,15,357)	19,08,37,166 (AED 1,48,96,754)



### RESULTS:

The Company has earned a net profit Rs. 17,43,11,097 (AED 1,38,15,357) for the year.

### AUDITORS:

The Auditors, M/s. Al Kttbi & Associates Chartered Accountants, United Arab Emirates are willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting (AGM).

### DIRECTORS' RESPONSIBILITIES:

The Company law required the Directors to prepare the financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of the net profit or loss for that year.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the relevant governing Laws.

**Director**  
**KRBL DMCC**  
**Date: April 26, 2010**

## Independent Auditors' Report

To  
The Shareholders,  
**KRBL DMCC,**  
P.O. Box 53688,  
Dubai – United Arab Emirates.

We have audited the accompanying financial statements of **KRBL DMCC, Dubai-United Arab Emirates** which comprise the balance sheet as at March 31, 2010 and the statements of income, statement of changes in shareholders' equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

### **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. 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 our 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, we consider 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 principles used and 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.

### **OPINION**

In our opinion, the financial statements present fairly, in all material respects, the financial position of **KRBL DMCC, Dubai – United Arab Emirates** as of March 31, 2010 and of its financial performance and its cash flows for the year then ended Subject to note 9 in accordance with International Financial Reporting Standards (IFRS).

Also, in our opinion there were no contraventions during the year of the U.A.E. Federal Commercial Companies Law No. 8 of 1984, as amended or the Company's Articles of Association which might have materially affected the financial position of the Company or the result of its operations for the year.

Sd/-  
**K. Ramu**  
Managing Partner

**AL KTTBI & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
DUBAI – UNITED ARAB EMIRATES 2006  
Date: April 26, 2010

## KRBL DMCC

### Balance Sheet As at 31st March, 2010

PARTICULARS	SCHEDULE	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders Funds</b>			
Share Capital	A	2,17,27,433	2,17,27,433
<b>Reserve &amp; Surplus</b>			
Profit & Loss Account		36,66,07,690	19,22,96,593
Foreign Exchange Translation Reserve		(1,24,46,809)	1,88,80,203
<b>TOTAL</b>		<b>37,58,88,314</b>	<b>23,29,04,229</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
(a) Gross Block	B	1,28,67,868	1,43,71,727
<b>Current Assets Loans and Liabilities</b>			
<b>Current Assets</b>			
Cash, Bank & Debtors	C	36,01,42,574	12,39,56,269
<b>Loans &amp; Advances</b>			
Other Receivables and repayment	D	29,14,662	9,46,17,734
Less: Current Liabilities & Provisions	E	36,790	41,501
Net Current Assets		36,30,20,446	21,85,32,502
<b>TOTAL</b>		<b>37,58,88,314</b>	<b>23,29,04,229</b>

Notes to Accounts: As Per schedule "H" attached

#### Auditors' Report

As per our Separate report of even date attached

For and on behalf of the Board

#### For Al Kttbi & Associates

Chartered Accountants

Sd/-  
**Arun Kumar Gupta**  
Director

Sd/-  
**Anoop Kumar Gupta**  
Director

Sd/-  
**K Ramu**  
Managing Partner

Place: Dubai  
26th April, 2010

## KRBL DMCC

### Profit and Loss Account For the year ended 31st March, 2010

PARTICULARS	SCHEDULE	For the Year Ended 31/03/2010 Amount (Rs.)	For the Year Ended 31/03/2009 Amount(Rs.)
<b>INCOME</b>			
Sales		-	66,27,15,225
Other Income	F	17,70,34,404	7,40,09,345
		17,70,34,404	73,67,24,570
<b>OPERATING EXPENDITURE</b>			
Purchases		-	51,82,57,632
Operating Expenses	G	27,23,307	2,76,29,772
<b>TOTAL</b>		27,23,307	54,58,87,404
<b>Net Profit</b>		17,43,11,097	19,08,37,166
Add: Profit/(Loss) as per last year Profit & Loss A/c		19,22,96,593	14,59,427
Balance transferred to Balance Sheet		36,66,07,690	19,22,96,593

**Notes to Accounts: As Per schedule "H" attached**

**Auditors' Report**

As per our Separate report of even date attached

For and on behalf of the Board

**For Al Kttbi & Associates**

Chartered Accountants

Sd/-  
**Arun Kumar Gupta**  
Director

Sd/-  
**Anoop Kumar Gupta**  
Director

Sd/-  
**K Ramu**  
Managing Partner

Place: Dubai  
26th April, 2010

## KRBL DMCC

### Schedules Attached to and Forming Part of the Balance Sheet

As at 31st March, 2010

PARTICULARS	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount (Rs.)
<b>SCHEDULE - A: SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,800 Shares of 1000 AED each	2,17,27,433	2,17,27,433
<b>ISSUED ,SUBSCRIBED &amp; PAID UP CAPITAL</b>		
1,800 Shares of 1000 AED each	21,727,433	2,17,27,433
<b>TOTAL</b>	<b>2,17,27,433</b>	<b>2,17,27,433</b>
<b>SCHEDULE - B: FIXED ASSETS</b>		
Office premises:- Opening Balance	1,27,40,342	1,43,71,727
Addition during the year	1,27,526	
<b>TOTAL</b>	<b>1,28,67,868</b>	<b>1,43,71,727</b>
<b>SCHEDULE - C: CURRENT ASSETS</b>		
Cash In Hand	2,45,610	28
Cash at Bank	35,98,96,964	7,65,170
Sundry Debtor	-	12,31,91,071
<b>TOTAL</b>	<b>36,01,42,574</b>	<b>12,39,56,269</b>
<b>SCHEDULE - D: LOAN &amp; ADVANCES</b>		
Unsecured and Considered Good		
Advances recoverable in cash or kind or for value to be received		
Advance paid for office premises	61,316	
Margin against bank guarantee	2,08,476	6,93,036
Other Advances	1,467,593	9,39,24,698
Other receivables	11,77,277	
<b>TOTAL</b>	<b>29,14,662</b>	<b>9,46,17,734</b>
<b>SCHEDULE - E: CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
For Expenses	36,790	41,501
<b>TOTAL</b>	<b>36,790</b>	<b>41,501</b>
<b>SCHEDULE - F: OTHER INCOME</b>		
Miscellaneous Income	15,16,93,252	7,40,09,345
Interest	2,53,41,152	-
	<b>17,70,34,404</b>	<b>7,40,09,345</b>
<b>SCHEDULE - G: OPERATING EXPENSES</b>		
Finance Charges	8,61,638	2,65,92,572
Legal & Visa	1,22,325	3,29,544
Rent	1,49,444	2,06,329
Insurance Expenses	-	14,684
Exhibition Expenses	5,91,753	4,86,643
Other Expenses	9,98,147	-
	<b>27,23,307</b>	<b>2,76,29,772</b>

## KRBL DMCC

### Cash Flow Statement For the year ended 31st March, 2010

PARTICULARS	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Profit/(loss) for the period	17,43,11,097	19,08,37,165
	17,43,11,097	19,08,37,165
<b>Operating Profit/(loss) before changes in operating assets and liabilities</b>		
(Increase)/Decrease in trade & other receivables	12,31,99,920	(10,78,63,770)
Increase/(Decreased) in trade and other payable	(4,711)	8,801
<b>Net cash from/(used) in operating activities</b>	29,75,06,306	8,29,82,196
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Office Apartment	15,03,859	(1,43,71,727)
<b>Net cash flow/ (used in) investing activities</b>	15,03,859	(1,43,71,727)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movement in shareholders' current account	9,16,94,223	(9,18,88,554)
<b>Net cash/ (used in) Financing activities</b>	9,16,94,223	(9,18,88,554)
Net increase/ (Decreased) in cash and cash equivalents (A+B+C)	39,07,04,388	(2,32,78,085)
cash and cash equivalents, beginning of the year	765,198	31,15,363
Adjustment due to foreign currency translation	(3,13,27,012)	2,09,27,920
cash and cash equivalents, end of the year	36,01,42,574	765,198
<b>Represented by:</b>		
Cash in Hand	245,610	28
Cash at Bank	35,98,96,964	765,170
	36,01,42,574	7,65,198

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

The Report of the Auditor is set out on Schedule-H

## **SCHEDULE - H: NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2010

### **1. Legal status and business activity:**

- 1.1 M/s KRBL DMCC., Dubai – United Arab Emirates (“the Company”) was incorporated on February 14, 2007 as a Limited Liability Company (L.L.C.) and operates in the United Arab Emirates under a trade license issued by Dubai Multi Commodities Centre, Dubai – United Arab Emirates.
- 1.2 The Principal activities of the Company as per trade license are trading in commodities.
- 1.3 The registered office of the Company is P.O.Box 54513, Dubai, United Arab Emirates.
- 1.4 The management and control are vested with Manager Mr. Anoop Kumar Gupta (Indian National).
- 1.5 These financial statements incorporate the operating results of the trade license No 30637.

### **2. Share capital:**

Authorised, and issued share capital of the Company was AED 1,800,000/- divided into 1,800 shares of AED 1,000 held by the shareholders, M/s KRBL Limited, India.

### **3. Summary of significant accounting policies:**

#### **Basis of preparation:**

The 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. Summary of the significant accounting policies, which have been applied consistently, are set out below:

#### **(a) Accounting convention**

These financial statements have been prepared under historical cost convention basis.

#### **(b) Inventories**

Inventories are stated at the lower of cost and net realisable value using FIFO method. Costs comprise direct materials and, where applicable, direct labour costs and the overheads that have been incurred in bringing the

inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to disposal.

#### **(c) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The costs comprise of purchase price, levies, duties and any directly attributable costs of bringing the asset to its working condition. The cost of property, plant and equipment is depreciated using the straight-line method over their estimated useful economic lives.

#### **(d) Revenue recognition**

Revenue from sale of goods shall be recognised when all the following conditions have been satisfied:

- i. The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii. The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii. The amount of revenue can be measured reliably;
- iv. It is probable that the economic benefit associated with the transaction will flow to the entity; and
- v. The cost incurred or to be incurred in respect of the transaction can be measured reliably.

#### **(e) Financial expenses**

Financial expenses are accounted in the statement of income in the period in which they are incurred.

#### **(f) Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, which it is probable, will result in an outflow of economic benefits that can be reasonably estimated.

#### **(g) Investment property**

Investment property is a property held to earn rentals and/or for capital appreciation, is stated at cost less depreciation at the balance sheet date. The Company continues to account investment property on ‘Cost less depreciation model.



#### h) Financial instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the entity's balance sheet when the entity has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

#### Trade receivables

Sales made on credit are included in trade receivables at the balance sheet date, and reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as they arise.

#### i) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, balances with bank and deposits with banks, within a maturity date of three months or less from the date of deposit, free of encumbrances.

	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
<b>4. Cash and banks</b>		
Cash in hand	245,610	28
Bank balances	35,98,96,964	765,170
	36,01,42,574	765,198
<b>5. Trade &amp; other receivables</b>		
Trade receivables	-	12,39,53,953
Advance paid for office premises	61,317	-
Other Advances	11,77,277	
Margin against bank gurantee	2,08,476	6,93,036
	14,47,069	12,46,46,989
<b>6. Accrued expenses</b>		
Accrued expenses	36,790	41,501
	36,790	41,501
<b>7. Retained earnings</b>		
Opening balance	19,22,96,593	14,59,427
Net profit for the year	17,43,11,097	19,08,37,166
Closing balance	36,66,07,690	19,22,96,593
<b>8. Shareholder's current account</b>		
Opening balance	(9,31,61,816)	(12,73,262)
Movements during the year	9,16,94,223	(9,18,88,554)
Closing balance	(14,67,593)	(9,31,61,816)
<b>9. Revenue</b>		
Sales	-	66,27,15,225
	-	66,27,15,225
<b>10. Cost of sales</b>		
Inventories, beginning of the year	-	-
Cost of sales	-	51,82,57,632

	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
<b>11. Administrative &amp; other expenses</b>		
Finance charges	8,37,814	2,65,92,572
Rent	1,49,444	2,06,329
Legal, visa & other fees	3,07,714	3,29,544
Business promotion	5,91,753	48,66,43.00
Miscellaneous	8,12,759	1,46,84.00
	26,99,484	2,76,29,772
<b>12. Other income</b>		
Interest	2,53,17,329	-
Introduction fees	15,16,93,252	
Miscellaneous	-	7,40,09,345
	17,70,10,581	7,40,09,345
<b>13. Staff strength</b>		
Number of employees (at end of the year)	2	1