

GLOBEX LIMITED

Financial Statements

31 March 2014

GLOBEX LIMITED

Financial Statements
31 March 2014

<i>CONTENTS</i>	<i>PAGE</i>
Directors' Report	1
Report of the Auditors	2
Statement of Financial Position	3
Statement of Income	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 – 9

GLOBEX LIMITED
Directors' Report

The directors submit their report together with the audited financial statements for the year ended 31 March 2014.

Activity

The company, not carrying out any commercial activity, has advanced funds for setting up an integrated Diammonium Phosphate (DAP) manufacturing facility being established by the parent shareholder company in partnership with Ras Al Khaimah Maritime City, Ras Al Khaimah, United Arab Emirates.

Results

The results of the company and the appropriations made for the year ended 31 March 2014 are set out on page 4 & 5 of the financial statements.

Capital

The authorized, issued and paid up capital of the company is 100 shares of AED 1,000 each.

Shareholder

The shareholder / shareholdings as of 31 March 2014 were as follows:

<i>Name</i>	<i>No. of shares</i>	<i>AED</i>
Zuari Global Limited <i>(Previously known as Zuari Industries Limited – legal formalities for change in shareholder name are in process and are expected to be completed by end 2014)</i>	100	100,000

Directors

The directors who served during the year were as follows:

- Mr. Narayanan Suresh Krishnan
- Mr. Naveen Kumar Kapoor

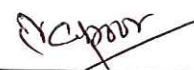
Auditors

A resolution to appoint auditors and fix their remuneration will be put to the shareholder at the annual general meeting.

On behalf of the board



Mr. Narayanan Suresh Krishnan
DIRECTOR



Mr. Naveen Kumar Kapoor
DIRECTOR

**Auditors' Report to the Shareholder of
GLOBEX LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **GLOBEX LIMITED** and, which comprises the statement of financial position as of 31 March 2014, and the statement of income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and explanatory information.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentations of these financial statements in accordance with International Financial Reporting Standards and the applicable implementing rules and regulations issued by the Jebel Ali Free Zone Authority and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 risk 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 the 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 **GLOBEX LIMITED** as of 31 March 2014 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the applicable implementing rules and regulations issued by the Jebel Ali Free Zone Authority.

Shah & Alshamali Associates

Signed by:

C. D. Shah

Partner

Registration No. 677

Shah & Alshamali Associates Chartered Accountants

7 May 2014

Dubai



GLOBEX LIMITED**Statement of Financial Position**
31 March 2014

	<i>Notes</i>	<i>2014</i> <i>AED</i>	<i>2013</i> <i>AED</i>
ASSETS			
Current assets			
Due from a related party	4	3,925,437	698,709
Cash and bank balances	5	<u>5,858,677</u>	<u>9,922,475</u>
Total current assets		<u>9,784,114</u>	<u>10,621,184</u>
Total assets		<u>9,784,114</u>	<u>10,621,184</u>
EQUITY & LIABILITIES			
Capital and reserves			
Shareholder's funds			
Share capital	6	100,000	100,000
Retained earnings		<u>9,663,986</u>	<u>10,491,364</u>
Equity funds		<u>9,763,986</u>	<u>10,591,364</u>
Current account	7	<u>15,000</u>	<u>15,000</u>
Total shareholder's funds		<u>9,778,986</u>	<u>10,606,364</u>
Current liabilities			
Accruals		<u>5,128</u>	<u>14,820</u>
Total current liabilities		<u>5,128</u>	<u>14,820</u>
Total equity and liabilities		<u>9,784,114</u>	<u>10,621,184</u>

The notes on pages 7 to 9 form an integral part of these financial statements.

Approved by the Shareholder Company / directors and authorized for issue on 7 May 2014.



Mr. Narayanan Suresh Krishnan
DIRECTOR



Mr. Naveen Kumar Kapoor
DIRECTOR

GLOBEX LIMITED**Statement of Income**
for the year ended 31 March 2014

	<i>Notes</i>	<i>31 March 2014 AED</i>	<i>31 March 2013 AED</i>
Revenue	8	-	11,377,000
Expenditure			
Feasibility study fees		(629,570)	-
Advisory & consulting services		(3,835)	(2,569,000)
Company renewal fees		(7,000)	(9,140)
Professional fees		(28,762)	(198,500)
Travelling expenses		(156,402)	-
Bank charges		(1,809)	(249)
Total expenditure		<u>(827,378)</u>	<u>(2,776,889)</u>
Net (loss) / profit for the year		<u>(827,378)</u>	<u>8,600,111</u>

The notes on pages 7 to 9 form an integral part of these financial statements.

GLOBEX LIMITED**Statement of Changes in Equity
for the year ended 31 March 2014**

	<i>Share Capital AED</i>	<i>Accumulated Profits AED</i>	<i>Total AED</i>
As at 31 March 2012	100,000	1,891,253	1,991,253
Net profit for the year	<u>-</u>	<u>8,600,111</u>	<u>8,600,111</u>
As at 31 March 2013	100,000	10,491,364	10,591,364
Net loss for the year	<u>-</u>	<u>(827,378)</u>	<u>(827,378)</u>
As at 31 March 2014	<u>100,000</u>	<u>9,663,986</u>	<u>9,763,986</u>

The notes on pages 7 to 9 form an integral part of these financial statements.

GLOBEX LIMITED

Statement of Cash Flows
for the year ended 31 March 2014

	<i>Notes</i>	<i>31 March 2014 AED</i>	<i>31 March 2013 AED</i>
Cash flows from operating activities			
Net (loss) / profit for the year		(827,378)	8,600,111
Adjustments for:			
Bank charges		<u>1,809</u>	<u>249</u>
Operating profit/ (loss) before operating assets and liabilities		(825,569)	8,600,360
(Increase) / decrease in in trade receivables, claims, other receivables due from a related party		(3,226,728)	(698,709)
Increase / (decrease) in accounts payable & accruals		<u>(9,692)</u>	<u>(14,680)</u>
Cash generated from / (used in) operations		(4,061,989)	7,886,971
Bank charges		<u>(1,809)</u>	<u>(249)</u>
Net cash from/ (used in) operating activities		<u>(4,063,798)</u>	<u>7,886,722</u>
Cash flows from financing activities			
Net funds introduced / (refunded) by the shareholder		<u>-</u>	<u>-</u>
Net cash from/ (used in) financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(4,063,798)	7,886,722
Cash and cash equivalents at beginning of year		9,922,475	2,035,753
Cash and cash equivalents at end of year	4	<u>5,858,677</u>	<u>9,922,475</u>

The notes on pages 7 to 9 form an integral part of these financial statements.

GLOBEX LIMITED**Notes to the Financial Statements
for the year ended 31 March 2014****1. Legal status and business activity**

GLOBEX LIMITED is a private limited liability international company incorporated on 9 August 2009 under the Jebel Ali Free Zone Offshore Companies regulations of 2003.

The company, registered to carry out general trading and investments holding activities, carried out the activities of sourcing and supply of plant and crop nutrient for the parent Shareholder Company and supply of related items to the overseas customers during the year

The parent company is considered to be Zuari Global Limited, India, previously known as Zuari Industries Limited.

2. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are as follows:

Basis of preparation:

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards. The financial statements have been prepared under the historical cost convention and presented in United Arab Dirham.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

Trade & other receivables:

An estimate for doubtful debts is made when collection of the full amount is no longer probable and provided for in the accounts. Bad Debts are written off as they arise.

Trade & other payables:

Liabilities are recognized for amounts to be paid for goods or services received whether invoiced by the supplier or not.

Revenue:

Revenue represents the fair value of consideration received or receivable for the sale of goods and services in the course of the company's activities. It is recognised when it is probable that future economic benefits will flow to the company and the amount of revenue can be measured reliably.

Sale of goods are recognised upon the delivery of the product and customer acceptance, while sale of services are recognised upon performance of the service and customer acceptance based on the proportion of actual service rendered to the total services to be provided.

Interest income is recognised on a time proportion basis using the effective interest method.

Cash and cash equivalents:

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

GLOBEX LIMITED**Notes to the Financial Statements
for the year ended 31 March 2014****3. Transactions and balances with related parties**

Related parties comprise the parent company, directors of the company and entities under common ownership and or common management control and associates as under:

- **Shareholder:**
 - Zuari Global Limited, India
- **Directors:**
 - Mr. Narayanan Suresh Krishnan - Director
 - Mr. Naveen Kumar Kapoor – Director

At the date of statement of financial position, the balances and the significant transactions during the year with the related parties were as follows:

		<i>Parent Company AED Dr/(Cr)</i>	<i>Total AED Dr/(Cr)</i>
<u>Balances:</u>			
Current account	2013-14	(15,000)	(15,000)
	2012-13	(15,000)	(15,000)
<u>Transactions:</u>			
Rebate, discount, dispatch money & other income	2013-14	-	-
	2012-13	-	-
Other income	2013-14	-	-
	2012-13	-	-

4. Cash and cash equivalents

This represents balance with a bank in current account.

	<i>2014 AED</i>	<i>2013 AED</i>
5. Share capital		
Authorized, Issued and paid capital		
100 shares of nominal value of AED 1000 each	<u>100,000</u>	<u>100,000</u>
6. Current account		

This represents balance in the unsecured non-interest bearing current account of the shareholder company which has no fixed repayment schedule. It is not the intention of the shareholder to withdraw funds advanced during the next twelve months.

GLOBEX LIMITED**Notes to the Financial Statements
for the year ended 31 March 2014****7. Financial instruments: Credit, interest rate, liquidity and exchange rate risk exposures****Credit risk**

Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally bank accounts, trade and other receivables. The company's bank accounts are placed with high credit quality financial institutions. Trade receivable represents amounts due from related parent company on trade account. At the statement of financial position date there are no significant concentrations of credit risk to receivables within the country and outside the industry in which the company operates.

Interest rate risk

Term deposit account are subject to fixed interest rates at levels generally obtained in the UAE and are therefore not exposed to fair value interest rate risk.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the parent shareholder company which has built an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The parent shareholder company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, dealing with reputed financial institutions and matching the maturity profiles of financial assets and liabilities.

Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars, to which Dirhams is fixed.

8. Financial instruments: Fair value

The fair values of the company's financial assets, comprising of trade and other receivables, cash & bank balances and financial liabilities, comprising bills and other payables, approximate to their carrying values.

9. Comparative figures

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year.