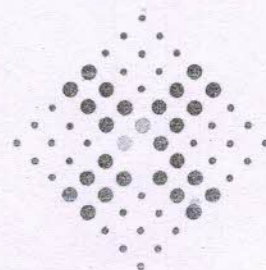


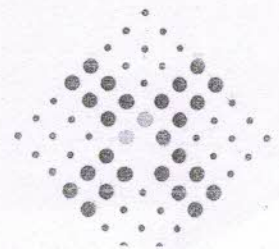
Panache Innovations DMCC
Financial Statements and Auditor's Report
For The Period Ended March 31, 2018
Dubai – U.A.E.



Panache Innovations DMCC
Financial Statements and Auditor's Report
For The Period Ended March 31, 2018
Dubai – U.A.E.

Table Contents

	Page
General Information	1
Performance Analysis	2
Managing Director's Report	3 to 4
Independent Auditor's Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Cash Flows	8
Statement of Changes in Equity	9
Notes to The Financial Statements	10 to 13



Panache Innovations DMCC
Dubai – U.A.E.

General information

Principal office address

Unit No. 1807
DMCC Business Centre
Level No. 1
Jewellery & Gemplex 3
Dubai
United Arab Emirates

General Manager

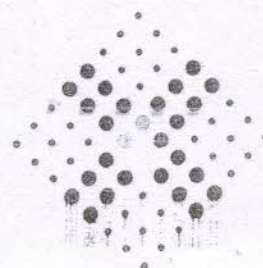
Mr. Pankaj Chaturvedi

Shareholder

M/s. Panache Innovations Limited - India

Auditor

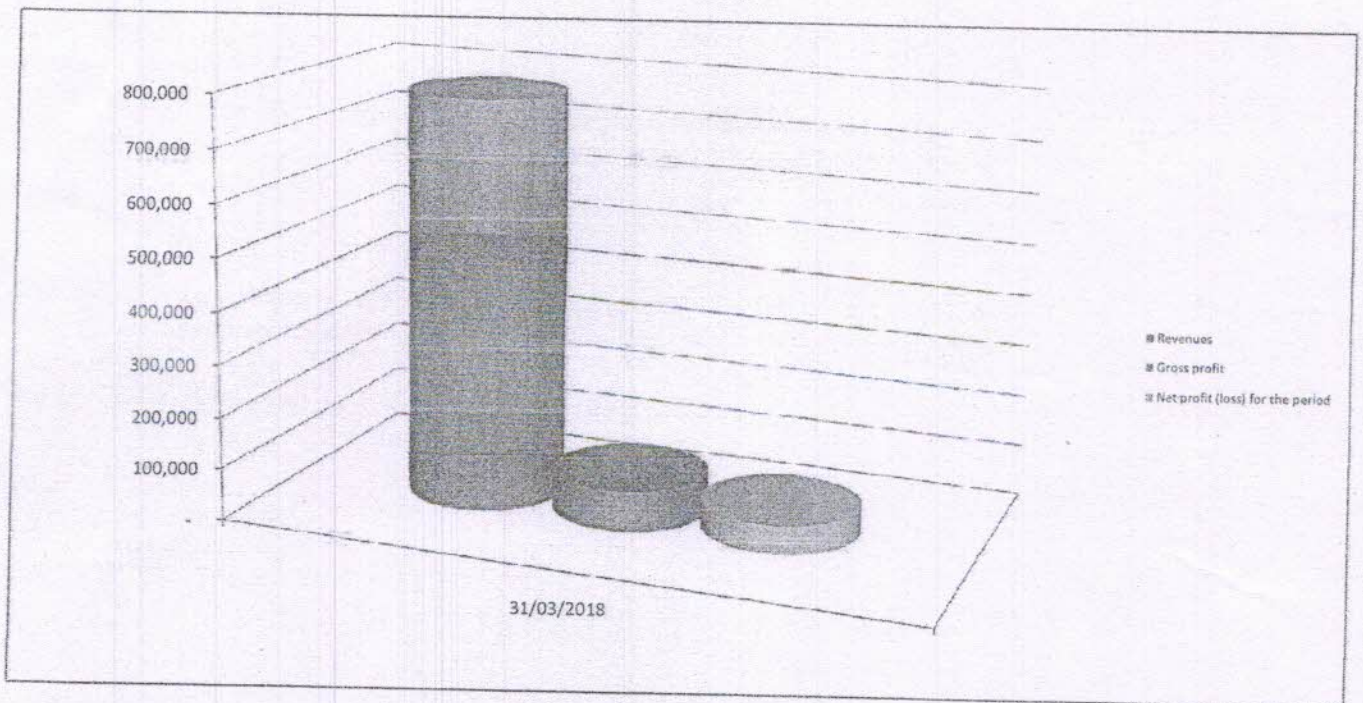
Score Plus Auditing
United Arab Emirates
Tel: +971 4 297 30 60
Fax: +971 4 297 30 71
Pox: 64021, Dubai - UAE
www.spauditing.ae



Performance Analysis:

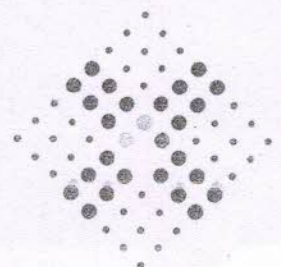
31/03/2018
USD

Revenues	783,560
Gross profit	78,530
Net profit (loss) for the period	53,931



Result:

The company has earned a net profit of USD 53,931/- during the period ended March 31, 2018.



Managing Director's Report

The Managing Director has pleasure in submitting his report and the audited financial statements for the period ended March 31, 2018.

Review of business

The company's principal activities during the period were computer software trading, computer equipment requisites trading, audio-visual, recording equipment & accessories trading, plastic & nylon raw materials trading and grains, cereals & legumes trading.

Financial review:

Income statement

The company's revenue performance met and exceeded budget expectations having achieved a revenue of USD 783,560/- for the period ended March 31, 2018. The improved revenue helped the company post a net profit amounting to USD 53,931/-.

Statement of financial position

The company has overcome significant challenges during the period under review and continues its core business performance with the confidence that it has the ability to stand and overcome these challenges.

The table below summarizes results of the period ended March 31, 2018.

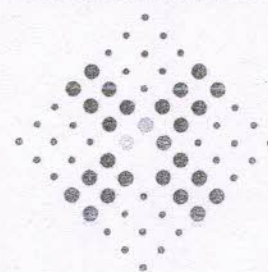
	31/03/2018
	USD
Revenues	783,560
Cost of revenues	(705,030)
Gross profit	<u>78,530</u>
Gross profit margin %	10.02%
Net profit (loss) for the period	53,931
Net profit margin %	6.88%

Events since the end of the period

There are no significant events since the end of the period.

Role of the Manager:

The Manager is the Entity's principal decision-making forum. Manager have the overall responsibility for leading and supervising the Entity and is accountable to shareholders for delivering sustainable shareholder value through its guidance and supervision of the Entity's business. The Manager sets the strategies and policies of the Entity. It monitors performance of the Entity's business, guides and supervises its management.



Risk management and internal control systems:

The Entity is committed to the process of identifying risk factors, analysing the risks and deciding upon measures of risk handling and risk control, with a view to achieving sustainability of business operations, employment and surpluses. The Entity's risk management framework identifies, assesses, manages and reports risks on a consistent and reliable basis. The Manager consider primary risk areas to be credit risk, interest rate risk, foreign exchange and liquidity risk.

The Manager recognise their responsibility to ensure the existence of the system of internal control and for reviewing its continued effectiveness. In view of the above, the management has in place a management information system that facilitates financial and other information being periodically reported on a transparent basis to the management and that in turn helps in initiating action to mitigate risks to the extent feasible.

Management responsibilities

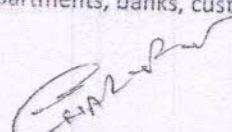
We confirm that We are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that We have made available all relevant accounting records and information for their compilation.

Auditors

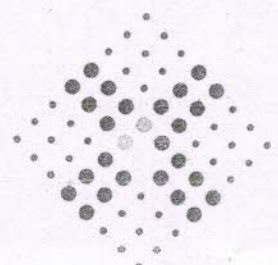
A resolution proposing the appointment of M/s. Score Plus Auditing of the company will be put before the ensuing annual general meeting.

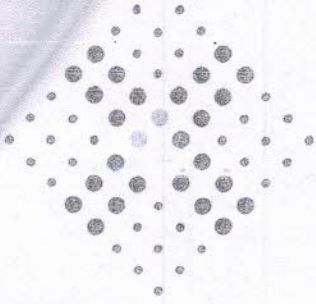
Acknowledgement:

The Manager wish to place on record their sincere gratitude for the continuous support extended by various government departments, banks, customers, suppliers, employees and all well wishers.


Managing Director

10-May-18





سكور بلس لتدقيق الحسابات
SCORE PLUS AUDITING

Independent Auditor's Report

To: Panache Innovations DMCC
Dubai: 10/05/2018

Report on the financial statements:-

We have audited the company financial statements of Panache Innovations DMCC which comprise the Financial Position as at March 31, 2018 and Income Statement for the period then ended and a summary of significant accounting policies and other explanatory notes.

Management Responsibility:-

The financial statements are the responsibility of the management; they are responsible to prepare the financial statements fairly and clearly as of the international accounting and auditing standards. The management responsibility also including preparing and controlling the internal auditing environment which had relations with presented those financial statements fairly and empty from any important mistakes which throws deep impact in the results of the company which come from cheating or simple mistake. And also choose the accounting policies which and compatible with external environment.

Auditor's responsibility:-

Our responsibility is to express an opinion on the company financial statements based on the international standards on auditing. Those standards require that we comply with ethical requirements plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on the auditor's judgments, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments the auditors consider internal control relevant to the entity preparation and fair presentation of financial statements in order to design audit procedures that are appropriate for 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 reasonable of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe 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 the company as at March 31, 2018 and its financial performance for the period then ended in accordance with international financial report standards.

Score Plus Auditing
Abdalla Shambah Mohamed Ghulam
Reg. No. 752



Main Branch:

Office No. 914, Block (B),
Business Village Building,
Opposite Clock Tower
Deira - Dubai,
P.O. Box 64021 Dubai

Barsha Branch:

Barsha Mall Opposite
Department of Economic
Development

Sharjah Branch:

E-LOB Office No. E-44F-06
Hamriyah Free Zone
P.O.Box 53523 Shj

Tel.: +971 4 297 3060
Fax: +971 4 297 3071
www.spauditing.ae
email: info@spauditing.ae

Panache Innovations DMCC
Dubai – U.A.E.

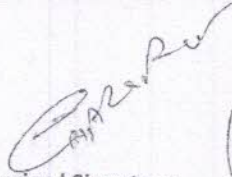
Statement of Financial Position
As at March 31, 2018

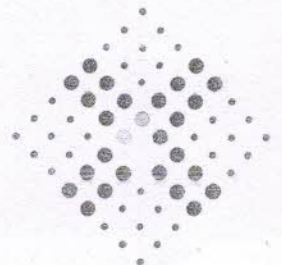
	<u>Notes</u>	<u>31/03/2018</u>
		USD
Assets Employed		
Current assets:		
Cash and balance with banks	4	6,219
Trade receivable	5	70,000
Advances, deposits & other receivables	6	4,823
Total current assets:		<u>81,042</u>
Non current assets:		
Tangible fixed assets		-
Total non current assets:		<u>-</u>
Total assets		<u>81,042</u>
Current liabilities:		
Other payables	7	10,600
Total current liabilities:		<u>10,600</u>
Total liabilities		<u>10,600</u>
Equity		
Share capital		13,625
Retained earnings	2	53,931
Shareholder's current account	8	2,886
Total equity		<u>70,442</u>
Total liabilities & equity		<u>81,042</u>

The accompanying notes on pages 10 to 13 form an integral part of these financial statements.
The Report of the Auditors is set out on page 5.

The financial statements were approved by the Board of Directors on May 10, 2018 and signed on its behalf by:

For Panache Innovations DMCC


Authorized Signatory



Panache Innovations DMCC
Dubai – U.A.E.

Statement of Comprehensive Income
For The Period From September 04, 2017 Till March 31, 2018

	<u>Notes</u>	<u>31/03/2018</u> USD
Revenues		783,560
Cost of revenues	9	<u>(705,030)</u>
Gross profit		78,530
Operating expenses		
Administration and selling expenses	10	<u>(24,599)</u>
		<u>(24,599)</u>
Net profit (loss) for the period		<u>53,931</u>

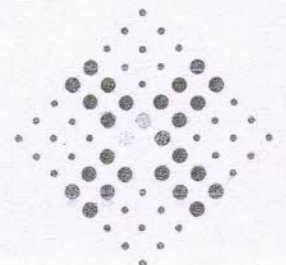
The accompanying notes on pages 10 to 13 form an integral part of these financial statements.
 The Report of the Auditors is set out on page 5.

The financial statements were approved by the Board of Directors on May 10, 2018 and signed on its behalf by:

For Panache Innovations DMCC

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "مؤسسة انوفايشن دى م.م.ع." at the top, "DUBAI - U.A.E." in the center, and "PANACHE INNOVATIONS DMCC" at the bottom.

Authorized Signatory



Panache Innovations DMCC
Dubai – U.A.E.

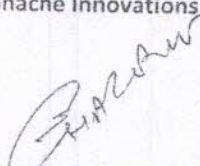
Statement of Cash Flows
For The Period From September 04, 2017 Till March 31, 2018

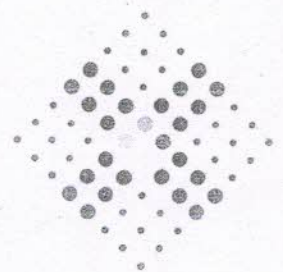
	<u>31/03/2018</u>
	USD
Cash flows from operating activities	
Net profit (loss) for the period	53,931
Operating cash flow before changes in net operating assets	<u>53,931</u>
<u>(Increase) / Decrease in Current Assets</u>	
Trade receivable	(70,000)
Advances, deposits & other receivables	(4,823)
<u>Increase / (Decrease) in Current Liabilities</u>	
Other payables	10,600
Net cash flow from operating activities	<u>(10,292)</u>
Cash flows from investing activities	
Tangible fixed assets	-
Net cash flow used in investing activities	<u>-</u>
Cash flows from financing activities	
Share capital	13,625
Net movements in current account	2,886
Net cash flow used in financing activities	<u>16,511</u>
Net increase in cash and cash equivalents	6,219
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	<u><u>6,219</u></u>

The accompanying notes on pages 10 to 13 form an integral part of these financial statements.
 The Report of the Auditors is set out on page 5.

The financial statements were approved by the Board of Directors on May 10, 2018 and signed on its behalf by:

For Panache Innovations DMCC


 Authorized Signatory



Panache Innovations DMCC
Dubai – U.A.E.

Statement of Changes in Equity
For The Period From September 04, 2017 Till March 31, 2018

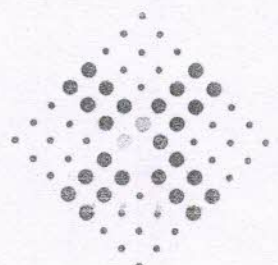
	Share capital USD	Retained earnings (losses) USD	Shareholder's current account USD	Total USD
Beginning Balance	13,625	-	-	13,625
Net profit (loss) for the period	-	53,931	-	53,931
Transfer	-	-	-	-
Net movements in current account	-	-	2,886	2,886
At March 31, 2018	13,625	53,931	2,886	70,442

The accompanying notes on pages 10 to 13 form an integral part of these financial statements.
 The Report of the Auditors is set out on page 5.

The financial statements were approved by the Board of Directors on May 10, 2018 and signed on its behalf by:

For Panache Innovations DMCC

Authorized Signatory



Panache Innovations DMCC
Dubai – U.A.E.

Notes to the Financial Statements
For The Period From September 04, 2017 Till March 31, 2018

1 Legal status and activities

- 1.1 Panache Innovations DMCC is registered in Dubai Multi Commodities Centre - Government of Dubai as per trading license No. DMCC-339248.
- 1.2 The company is controlled and managed by Mr. Pankaj Chaturvedi.
- 1.3 License activities are computer software trading, computer equipment requisites trading, audio-visual, recording equipment & accessories trading, plastic & nylon raw materials trading and grains, cereals & legumes trading.

2 Shareholders

- 2.1 The shareholding of the company is as follows:

Name	No. of shares	Total value USD	% Percentage
M/s. Panache Innovations Limited - India	50	13,625	100%
	50	13,625	100%

- 2.2 The authorized and paid up share capital of the company is AED 50,000/- divided into 50 shares of AED 1,000/- each. Converted @ AED 3.67/ USD 1.

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 USD.

b) Statement of compliance

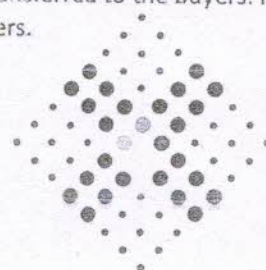
These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB).

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) Revenue recognition

Revenue from sale of goods is recognized when all significant risks and rewards of ownership are transferred to the buyers. In most cases this coincides with the transfer of legal title or passing of possession of goods to the buyers.



e) 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.

f) Foreign currency transactions

Foreign currency transactions are recorded in USD at the approximate rate of exchange ruling at the time of the transaction. All foreign currency gains and losses are booked in the statement of income as and when they arise.

g) Tangible fixed assets

Tangible fixed assets is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, levies, duties and any directly attributable cost of bringing the asset to its working condition. Depreciation is charged to income applying straight line method.

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.

h) 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.

i) Inventory

Inventories are measured at lower of cost and net realizable value. Cost of inventories comprise all costs of purchase, and where applicable costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs to completion and estimated costs necessary to make the sale. The cost of closing inventory is determined on the basis of weighted average cost.

j) Trade receivables

Trade receivables are stated at their nominal value, as reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as and when they arise.

k) Cash and cash equivalents

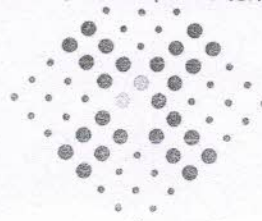
Cash and cash equivalents includes cash in hand and short term deposits in bank. Bank overdraft if any, is include in current liability under "Short Term Borrowings".

l) Trade payables

Trade payables being financial liabilities are recognised at fair value.

m) Short term borrowings

Obligations towards banking institutions are segregated generally into current portion (short term portion) and non-current portion (long term portion). Obligations which falls within a period of one year is treated as current portion (short term portion).



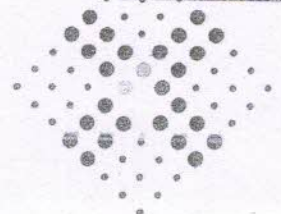
Panache Innovations DMCC
Dubai – U.A.E.

n) **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.

	<u>31/03/2018</u>
	USD
4 Cash and balance with banks	
Cash in hand	6,219
Total	<u>6,219</u>
5 Trade receivable	
Trade debtors	70,000
Total	<u>70,000</u>
5.1 Age analysis	
0 to 60 days	-
61 to 120 days	70,000
6 Advances, deposits & other receivables	
Prepayments	4,329
Deposits	272
VAT receivables	222
Total	<u>4,823</u>
7 Other payables	
Accruals & others	10,600
Total	<u>10,600</u>
8 Shareholder's current account*#	
M/s. Panache Innovations Limited - India	2,886
Total	<u>2,886</u>
	#This represents current account balance of the sole shareholder of the establishment.
	*Represents USD 13,625/- as receivables towards unpaid share capital and USD 16,511/- as payables towards various company formation expenses.
9 Cost of revenues	
Purchases	705,030
Total	<u>705,030</u>
10 Administration and selling expenses	
License fees	3,135
Rent expense	2,594
Other expenses	18,870
Total	<u>24,599</u>



11 Ratio analysis

Profitability Indicators

Gross profit margin %	10.02%
Net profit margin %	6.88%

Liquidity Measurement

Working capital	70,442
Quick ratio	7.65
Current ratio	7.65

Financial Leverage

Debt equity ratio	15.05%
Debt ratio	13.08%

Activity Indicators

Debtors (Days)	33
----------------	----

12 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 March 31, 2018.

13 Interest rate risk

Significant financial instruments, other assets and other liabilities of the company as at March 31, 2018 are not interest based.

14 Exchange rate risk

Since the main underlying currencies of the financial instruments, other assets, other liabilities and transactions including cost of sales and sales are in US Dollars, the company is not exposed to a significant exchange rate risk.

15 Comparative figures

Comparative figures has not been presented because since start of the company this is first period audit of the company. Figures of the company have been rounded off to nearest USD 1/-.

The accompanying notes on pages 10 to 13 form an integral part of these financial statements.
 The Report of the Auditors is set out on page 5.

The financial statements were approved by the Board of Directors on May 10, 2018 and signed on its behalf by:

For Panache Innovations DMCC

Authorized Signatory

