

**INTENSE TECHNOLOGIES (FZE)**  
**HAMRIYAH FREE ZONE AUTHORITY, SHARJAH, UAE**  
**AUDITORS' REPORT & FINANCIAL STATEMENTS**  
**MARCH 31, 2017**



INTENSE TECHNOLOGIES (FZE)  
HAMRIYAH FREE ZONE AUTHORITY  
SHARJAH, UAE

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Ref: ARKA/181/2017



**Intense Technologies (FZE)**  
**Hamriyah Free Zone Authority, Sharjah, UAE**  
**Report of the Directors**

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The Management has pleasure in presenting this report together with the audited financial statements of the establishment for the year ended March 31, 2017.

**Legal Status**

"**Intense Technologies (FZE)**" here-in-after called 'the Establishment' operates as a Free Zone Establishment with Limited Liability and operating under a Commercial License No. 10947 issued by Hamriyah Free Zone Authority, Sharjah, UAE. The registered address of the Establishment is P.O. Box 53142, Hamriyah Free Zone, Sharjah, UAE.

**Principal Activity**

The Principal Activities of the Establishment are Import and Export of Software and Information Technology IT Products

**Results of Operation**

Net Loss of the establishment for the year is AED (1,312,853) -

**Risk Management**

The establishment is committed to pursuing the process of identifying risk factors, closely monitoring & analyzing the risks and take decisions to mitigate the risks with the aim of ensuring continuance of business operations and growth to make value addition to the shareholder's equity. The risk management policy identifies, assesses, manages and reports risks on a continuous basis. The Management consider the key risk areas to be credit risk, market risk and liquidity risk.

**Directors Responsibility**

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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.

The Directors are responsible for keeping proper financial records in line with laws, rules and regulations of Hamriyah Free Zone Authority, Sharjah, UAE for taking reasonable steps to safeguard the assets of the entity and to prevent and detect fraud and other irregularities.

**Events after the reporting year**

There were no transactions or event of a material nature after the reporting year, which is likely to affect, substantially the result of the operations or the financial position of the establishment.

**Going Concern**

The attached financial statements have been prepared on the going concern basis. While preparing the financial statements the management has made an assessment of the establishment's ability to continue as a going concern. The management has not come across any evidence that causes the management to believe that material uncertainties related to the events or conditions existed, which may cause significant doubt on the establishment's ability to continue as a going concern.



**Intense Technologies (FZE)**  
**Hamriyah Free Zone Authority, Sharjah, UAE**  
**Report of the Director (continued...)**

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**Auditors**

The independent auditors, Abdul Rahman Karmustaji Auditing, Dubai, UAE have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

*On behalf of the Board of Directors*

*For Intense Technologies (FZE)*

*B.S. Reddy*

*Chairman of the Board*



**INDEPENDENT AUDITORS' REPORT**

**TO THE SHAREHOLDER OF INTENSE TECHNOLOGIES (FZE),  
HAMRIYAH FREE ZONE AUTHORITY, SHARJAH, UAE**

*Report on the financial statements*

We have audited the accompanying financial statements of **INTENSE TECHNOLOGIES (FZE)**, Hamriyah Free Zone Authority, Sharjah, UAE which comprise the statement of financial position as of March 31, 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes related to the financial statements, set out on pages 5 to 14.

*Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and with the applicable provisions of implementing regulations issued by the Hamriyah Free Zone Authority pursuant to Emiri Decree No. 6 of 1995. 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.

*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 with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

*Opinion*

In our opinion, the accompanying financial statements give a fair view, in all material respects, of the financial position of the Entity as of March 31, 2017 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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عبدالرحمن كرمستجي لتدقيق الحسابات  
**Abdul Rahman Karmustaji Auditing**



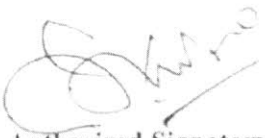
*Report on other legal and regulatory requirements*

As required by the provisions of the Emiri Decree No. 6 of 1995 issued in Sharjah; applicable to Hamriyah Free Zone Authorities, we further confirm that:

- i) We are not aware of any contraventions during the year of the above mentioned law or the FZE's Articles of Association, which may have material effect on the financial position of the entity or the result of its operations for the year.

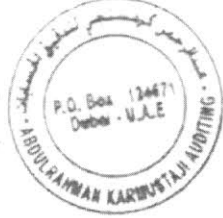
Respectfully,

Abdul Rahman Karmustaji Auditing



Authorized Signatory

Reg. No. 788  
April 18, 2017



**Intense Technologies (FZE)**

P. O. Box: 53142

Hammiyah Free Zone Authority, Sharjah, UAE

Statement of Financial Position as at March 31, 2017

ASSETS:	Note	31-03-2017 AED	31-03-2016 AED
<b>CURRENT ASSETS</b>			
Inventories	-	377,934	Nil
Accounts and Other Receivables	8	1,725,617	1,450,384
Bank Balance	9	121,602	145,964
<b>TOTAL ASSETS</b>		<b>2,225,153</b>	<b>1,596,348</b>
<b>EQUITY &amp; LIABILITIES:</b>			
<b>OWNERS' EQUITY</b>			
Capital Account		25,000	25,000
Current Account	10	4,831,536	2,866,899
Accumulated Losses		(2,782,008)	(1,429,255)
		<b>2,114,428</b>	<b>1,462,644</b>
<b>CURRENT LIABILITIES</b>			
Other Payables		110,725	133,704
		<b>110,725</b>	<b>133,704</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>2,225,153</b>	<b>1,596,348</b>

*The accompanying notes 1 to 17 form an integral part of these financial statements.*

*The Report of the Auditors is set out on pages 3 & 4.*

*These financial statements on pages 3 to 14 were approved by the Manager on April 18, 2017 and signed by*

**For Intense Technologies (FZE)**

Authorized Signatory

B.S. Reddy



**Intense Technologies (FZE)**  
P. O. Box: 53142  
Hamriyah Free Zone Authority, Sharjah, UAE  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended March 31, 2017**

	Note	31-03-2017 AED	31-03-2016 AED
Revenue	12	2,173,469	1,413,448
Cost of Sales	13	<u>(2,089,075)</u>	<u>(1,365,496)</u>
<b>Gross Profit</b>		<b>84,394</b>	<b>47,952</b>
General & Administration Expenses	14	<u>(1,397,247)</u>	<u>(861,874)</u>
<b>Net Profit/ (Loss) for the year</b>		<b>(1,312,853)</b>	<b>(813,922)</b>
Other Comprehensive income		<u>Nil</u>	<u>333</u>
<b>Total Comprehensive income (loss) for the year</b>		<b><u>(1,312,853)</u></b>	<b><u>(813,589)</u></b>

*The accompanying notes 1 to 17 form an integral part of these financial statements.*

*The Report of the Auditors is set out on pages 3 & 4.*

*These financial statements on pages 5 to 14 were approved by the Manager on April 18, 2017 and signed by:*

**For Intense Technologies (FZE)**

Authorized Signatory

B.S. Fedhly 





**Intense Technologies (FZE)**  
**P. O. Box: 53142**  
**Hamriyah Free Zone Authority, Sharjah, UAE**  
**Statement of Changes in Equity**  
**For the year ended March 31, 2017**

	<i>(Amount in AED)</i>		
	Share Capital	Current Account	Accumulated Losses
Balance as at March 31, 2015	25,000	3,219,828	(615,666)
Net movement during the year	Nil	(352,929)	Nil
Total Comprehensive income/(loss) for the year	Nil	Nil	(813,589)
Balance as at March 31, 2016	25,000	2,866,899	(1,429,255)
Net movement during the year	Nil	1,964,637	Nil
Total Comprehensive income/(loss) for the year	Nil	Nil	(1,312,853)
<b>Balance as at March 31, 2017</b>	<b>25,000</b>	<b>4,831,536</b>	<b>(2,742,108)</b>
			<b>2,114,428</b>

*The accompanying notes 1 to 17 form an integral part of these financial statements.*

*The Report of the Auditors is set out on pages 3 & 4.*



**Intense Technologies (FZE)**  
**P. O. Box: 53142**  
**Hamriyah Free Zone Authority, Sharjah, UAE**  
**Statement of Cash Flows**  
**For the year ended March 31, 2017**

	<i>31-03-2017</i>	<i>31-03-2016</i>
	<i>AED</i>	<i>AED</i>
<b>Operating Activities</b>		
<b>Total Comprehensive income/(loss) for the year</b>	<b>(1,312,853)</b>	<b>(813,589)</b>
<i>Adjustments :</i>	<i>Nil</i>	<i>Nil</i>
<b>Operating Profit before Working Capital Changes</b>	<b>(1,312,853)</b>	<b>(813,589)</b>
(Increase)/Decrease in Inventories	(377,934)	945,407
(Increase)/Decrease in Accounts and Other Receivables	(275,233)	71,466
Increase/(Decrease) in Other Payables	(22,979)	31,591
<b>Net Cash generated/(used) in Operating Activities</b>	<b>(1,988,999)</b>	<b>234,875</b>
<b>Cash Flow from Financing Activities</b>		
Net Movement in Shareholder's Current Account	1,964,637	(352,929)
<b>Net Cash generated/(used) from Financing Activities</b>	<b>1,964,637</b>	<b>(352,929)</b>
Net increase in cash and cash equivalents	(24,362)	(118,054)
Cash and cash equivalents at the beginning of the year	145,964	264,018
<b>Cash and cash equivalents at the end of the year</b>	<b>121,602</b>	<b>145,964</b>
<b><u>Cash and Cash equivalents represented by:</u></b>		
<i>Cash at Bank</i>	<i>121,602</i>	<i>145,964</i>
	<b>121,602</b>	<b>145,964</b>

*The accompanying notes 1 to 17 form an integral part of these financial statements.*

*The Report of the Auditors is set out on pages 3 & 4.*

**Intense Technologies (FZE)**

**P. O. Box: 53142**

**Hamriyah Free Zone Authority, Sharjah, UAE**

**Notes to the Financial Statements**

**For the year ended March 31, 2017**

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**1. Establishment and Operations**

"Intense Technologies (FZE)" here-in-after called 'the Establishment' operates as a Free Zone Establishment with Limited Liability and operating under a Commercial License No. 10947 issued by Hamriyah Free Zone Authority, Sharjah, UAE. The registered address of the Establishment is P.O. Box 53142, Hamriyah Free Zone, Sharjah, UAE.

**2. Management**

The management and control of the Establishment is vested with Mr. Madhukar Nayak Halsinkatte (Indian National) and Mr. Reddy Shivaprasad Subbareddy (Indian National). The Managers of the Establishment.

**3. Share Capital**

The authorized, issued and paid up capital of the Establishment is AED 25,000 divided into 25 shares of AED 1,000/- each. The details of shareholding as on the date of statement of financial position are as follows:

<u>Name of the Shareholder</u>	<u>Shareholding</u>	<u>Value of Share (AED)</u>
a) Intense Technologies Limited, INDIA	100%	25,000
	100%	25,000

**4. Principal Activity**

The Principal Activities of the Establishment are Import and Export of Software and Information Technology IT Products..

**5. Reporting period**

These financial statements cover the year from April 01, 2016 to March 31, 2017. The previous financial statement covers the period from April 1, 2015 to March 31, 2016.

**6. Summary of Significant Accounting Policies and Disclosures**

*a. Basis of Preparation*

The financial statements have been prepared under historical cost basis. The financial statements are presented in Arab Emirate Dirhams (AED) and all values are rounded to the nearest Arab Emirate Dirham. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

*b. Statement of Compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).



**Intense Technologies (FZE)**  
**Hamriyah Free Zone Authority, Sharjah, UAE**  
**Notes to the Financial Statements (continued...)**  
**For the year ended March 31, 2017**

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*c. Adoption of new and revised International Financial Reporting Standards.*

The following new and revised standards including amendments thereto and interpretations which become effective for the current reporting period have been adopted. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

- IAS 32 : Offsetting Financial Assets and Financial Liabilities.
- IFRS 10 : Consolidated Financial Statements (Amendments to Investment Entities).
- IFRS 12 : Disclosure of Interest in Other entities (Amendments to Investment Entities).
- IAS 19 : Employee Benefits (Defined Benefits Plans - Employee contributions).
- IAS 27 : Separate Financial Statements (Amendments to Investment Entities).
- IAS 36 : Recoverable amount disclosures for Non-Financial Assets.
- IAS 39 : Financial Instruments - Recognition and Measurement Amendments to IAS 39 'Novation of derivatives'.
- IFRIC : Levies
- IFRS 14 : Regulatory Deferral Accounts
- IAS 26 : Fair Value discloses by Retirement Benefit Plan
- IFRS 11 : Accounting for Acquisitions of Interest in Joint Operations
- IAS 16 and IAS 38 : Clarification of acceptable method of depreciation and amortization.
- IAS 16 and IAS 41 : Agriculture; Bearer Plants.
- IAS 1 : Disclosure Initiative
- IFRS 10, IFRS 12 and IAS 28 : Investment Entities - Applying the consolidation exception.

The following standards, amendments thereto and interpretations have been issued prior to December 31, 2016 but have not been applied in these financial statements as their adoption are effective from future reporting periods. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures within the financial statements.

- IAS 12 : Recognition of Deferred Tax Assets for unrealized losses - 1st January 2017.
- IFRS 9 : Financial Instruments - 1st January 2018
- IFRS 15 : Revenue from Contracts with customers - 1st January 2018.
- IFRS 16 : Leases - 1st January 2019.
- IFRS 10 and IAS 28 : Sale of Contribution of Assets between investor and its associate or Joint Venture - 1st January 2020.

*d. Revenue Recognition*

Income is recognized when it is earned, not necessarily when received. The income has been recognized when invoices are raised and acknowledged by the customer. Expenses and charges have been recognized when it was incurred, not necessarily when paid.



**Intense Technologies (FZE)**  
**Hamriyah Free Zone Authority, Sharjah, UAE**  
**Notes to the Financial Statements (continued...)**  
**For the year ended March 31, 2017**

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*e. Inventories*

Inventories are stated at the lower of cost and net realisable value using weighted average 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.

*f. Accounts Receivables*

Accounts Receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are initially recognized at fair value and subsequently measured at amortised cost reduced by appropriate allowance for estimated doubtful debts.

*g. Other Receivables*

Other Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in the current assets, except for maturities greater than 12 months after the end of the reporting period. The entity's other receivables comprises "cash and cash equivalents, deposits, prepayments and loans and advances.

*h. Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and other short-term highly liquid investments with a maturity date of three months or less from the date of investments.

*i. Other Payables*

Other payables represents current payables other than dividend payables and tax payables. These payables are expected to mature within one year or an operating cycle, which ever is no longer. Other payables includes payables to employees, accrued expenses and duties.

*j. Provisions*

Provisions are recognized when the entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is recognized in the profit or loss, net of any reimbursement.



**Intense Technologies (FZE)**  
**Hamriyah Free Zone Authority, Sharjah, UAE**  
**Notes to the Financial Statements (continued...)**  
**For the year ended March 31, 2017**

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*k. Foreign Currency Transactions*

Foreign currency transactions are recorded in UAE Dirham 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 to UAE Dirham at the year end rate of exchange. All foreign currency gains and losses are booked in the statement of income as they arise

*l. Profit and Loss account*

The entity's profit or loss is arrived at after charging all expenses incurred in day to day operations of the business and in maintaining property, plant and equipment.

*m. Rounding off*

The figures stated in the attached financial statements are rounded off to the nearest UAE Dirham.

*n. 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.

*o. 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 entity contingent or otherwise not included in the above Financial Statement.



**Intense Technologies (FZE)**  
**Hamriyah Free Zone Authority, Sharjah, UAE**  
**Notes to the Financial Statements (continued...)**  
**For the year ended March 31, 2017**

	<i>31-03-2017</i>	<i>31-03-2016</i>
	<i>AED</i>	<i>AED</i>
<b>7. Inventories</b>		
Stock in hand	<u>377,934</u>	<u>Nil</u>
<b>8. Accounts and Other Receivables</b>		
Trade Receivables	1,686,167	1,433,059
Deposits	25,240	8,700
Prepayments	5,208	5,208
Other Receivables	9,002	3,417
	<u>1,725,617</u>	<u>1,450,384</u>
<b>9. Bank Balance</b>		
Cash at Bank	<u>121,602</u>	<u>145,964</u>
	<u>121,602</u>	<u>145,964</u>
<b>10. Shareholder's current account</b>		
Opening balance	2,866,899	3,219,828
Net movement during the year	1,964,637	(352,929)
Closing balance	<u>4,831,536</u>	<u>2,866,899</u>
<b>11. Other Payables</b>		
Other Payables	57,325	94,004
Accrued Expenses	53,400	39,700
	<u>110,725</u>	<u>133,704</u>
<b>12. Revenue</b>		
Income	<u>2,173,469</u>	<u>1,413,448</u>
<b>13. Cost of Sales</b>		
Opening Stock	Nil	945,407
Purchase with direct expenses	2,467,009	420,089
Closing Stock	(377,934)	Nil
	<u>2,089,075</u>	<u>1,365,496</u>
<b>14. General &amp; Administration Expenses</b>		
Salaries and Other Benefits	454,539	533,213
Office expenses	355,510	40,310
Consultancy Charges	164,456	Nil
Rent	138,856	71,190
Travelling	104,793	141,668
Legal, License and Professional Charges	80,820	29,000
Visa charges	36,614	Nil
Business Promotion expenses	27,914	Nil
Communication Expenses	24,997	44,402
Bank Charges	8,748	2,091
	<u>1,397,247</u>	<u>861,874</u>

**Intense Technologies (FZE)**  
**Hamriyah Free Zone Authority, Sharjah, UAE**  
**Notes to the Financial Statements (continued...)**  
**For the year ended March 31, 2017**

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**15 Financial Risk Factors**

*(i) Credit Risk*

Financial assets, which potentially subject the establishment to credit risk, comprises mainly of bank balances and receivables. Bank balances are with regulated financial institutions. Management is of the opinion that receivables are fully recoverable after considering provision.

*(ii) Interest Rate Risk*

The establishment has not availed any loans from banks or any other financial institutions during the financial year.

*(iii) Exchange Rate Risk*

There were no significant exchange rate risks as all of the financial assets and liabilities are denominated in A.E. Dirhams.

**16 Contingent Liability**

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on establishment's accounts as of date of statement of financial position.

**17 Significant events after the date of statement of financial position**

There were no significant events occurring after the date of statement of financial position which require disclosure in the financial statements.

*The accompanying notes 1 to 17 form an integral part of these financial statements*

*The Report of the Auditors is set out on pages 3 & 4*

*These financial statements on pages 5 to 14 were approved by the Manager on April 18, 2017 and signed by*

*For Intense Technologies (FZE)*

*Authorized Signatory*

*B.S. Reddy*

