

INTENSE TECHNOLOGIES (FZE)
AMRIYAH FREE ZONE AUTHORITY, SHARJAH, UAE
AUDITORS' REPORT & FINANCIAL STATEMENTS
MARCH 31, 2018



عبدالرحمن كرمستجي لتدقيق الحسابات
Abdul Rahman Karmustaji Auditing

INTENSE TECHNOLOGIES (FZE)
HAMRIYAH FREE ZONE AUTHORITY, SHARJAH, UAE
AUDITORS' REPORT & FINANCIAL STATEMENTS
MARCH 31, 2018

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

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

The Management has pleasure in presenting this report together with the audited financial statements of the establishment for the year ended March 31, 2018.

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 (475,475)/-

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...)

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
Authorized Signatory



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, 2018, 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, 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 19, 2018



Intense Technologies (FZE)
P. O. Box: 53142
Hamriyah Free Zone Authority, Sharjah, UAE
Statement of Financial Position as at March 31, 2018

ASSETS :	Note	31-03-2018 AED	31-03-2017 AED
CURRENT ASSETS			
Inventories	7	21,084	377,934
Accounts and Other Receivables	8	1,806,444	1,725,617
Bank Balance	9	152,936	121,602
TOTAL ASSETS		1,980,464	2,225,153
EQUITY & LIABILITIES :			
OWNERS' EQUITY			
Capital Account		1,850,000	25,000
Current Account	10	3,274,324	4,831,536
Accumulated Losses		(3,217,583)	(2,742,108)
		1,906,741	2,114,428
CURRENT LIABILITIES			
Other Payables	11	73,723	110,725
		73,723	110,725
TOTAL EQUITY & LIABILITIES		1,980,464	2,225,153

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 19, 2018 and signed by:

For Intense Technologies (FZE)

B.S. Reddy
 Authorized Signatory



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, 2018

	Note	31-03-2018 AED	31-03-2017 AED
Revenue	12	2,195,027	2,173,469
Cost of Sales	13	<u>(2,135,697)</u>	<u>(2,089,075)</u>
Gross Profit		59,330	84,394
General & Administration Expenses	14	<u>(534,805)</u>	<u>(1,397,247)</u>
Net Profit/ (Loss) for the year		(475,475)	(1,312,853)
Other Comprehensive income		<u>Nil</u>	<u>Nil</u>
Total Comprehensive income/(loss) for the year		<u>(475,475)</u>	<u>(1,312,853)</u>

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 19, 2018 and signed by:

For Intense Technologies (FZE)

B.S. Reddy
Authorized Signatory



Intense Technologies (FZE)
P. O. Box: 53142
Hamriyah Free Zone Authority, Sharjah, UAE
Statement of Changes in Equity
For the year ended March 31, 2018

	Share Capital	Current Account	Accumulated Losses	Total
Balance as at March 31, 2016	25,000	2,866,899	(1,429,255)	1,462,644
Net movement during the year	Nil	1,964,637	Nil	1,964,637
Total Comprehensive income/(loss) for the year	Nil	Nil	(1,312,853)	(1,312,853)
Balance as at March 31, 2017	25,000	4,831,536	(2,742,108)	2,114,428
Capital introduced during the year	1,825,000	Nil	Nil	1,825,000
Net movement during the year	Nil	(1,557,212)	Nil	(1,557,212)
Total Comprehensive income/(loss) for the year	Nil	Nil	(475,475)	(475,475)
Balance as at March 31, 2018	1,850,000	3,274,324	(3,217,583)	1,906,741

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, 2018

	<i>31-03-2018</i>	<i>31-03-2017</i>
	<i>AED</i>	<i>AED</i>
Operating Activities		
Total Comprehensive income/(loss) for the year	(475,475)	(1,312,853)
<i>Adjustments :</i>	<i>Nil</i>	<i>Nil</i>
Operating Profit before Working Capital Changes	(475,475)	(1,312,853)
(Increase)/Decrease in Inventories	356,850	(377,934)
(Increase)/Decrease in Accounts and Other Receivables	(80,827)	(275,233)
Increase/(Decrease) in Other Payables	(37,002)	(22,979)
Net Cash generated/(used) in Operating Activities	(236,454)	(1,988,999)
Cash Flow from Financing Activities		
Additional Capital Introduced	1,825,000	Nil
Net Movement in Shareholder's Current Account	(1,557,212)	1,964,637
Net Cash generated/(used) from Financing Activities	267,788	1,964,637
Net increase in cash and cash equivalents	31,334	(24,362)
Cash and cash equivalents at the beginning of the year	121,602	145,964
Cash and cash equivalents at the end of the year	152,936	121,602
<u>Cash and Cash equivalents represented by:</u>		
<i>Cash at Bank</i>	<i>152,936</i>	<i>121,602</i>
	152,936	121,602

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, 2018

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 1,850,000 divided into 1850 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%	1,850,000
	<u>100%</u>	<u>1,850,000</u>

During the Financial year as at February 14, 2018 the establishment has increased the share capit

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, 2017 to March 31, 2018. The previous financial statement covers the period from April 1, 2016 to March 31, 2017.

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, 2018

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, 2018

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, 2018

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, 2018

	<i>31-03-2018</i>	<i>31-03-2017</i>
	<i>AED</i>	<i>AED</i>
7. Inventories		
Stock in hand	<u>21,084</u>	<u>377,934</u>
8. Accounts and Other Receivables		
Trade Receivables	1,761,951	1,686,167
Deposits	39,285	25,240
Prepayments	5,208	5,208
Other Receivables	Nil	9,002
	<u>1,806,444</u>	<u>1,725,617</u>
9. Bank Balance		
Cash at Bank	152,936	121,602
	<u>152,936</u>	<u>121,602</u>
10. Shareholder's current account		
Opening balance	4,831,536	2,866,899
Net movement during the year	(1,557,212)	1,964,637
Closing balance	<u>3,274,324</u>	<u>4,831,536</u>
11. Other Payables		
Other Payables	47,023	57,325
Accrued Expenses	26,700	53,400
	<u>73,723</u>	<u>110,725</u>
12. Revenue		
Income	<u>2,195,027</u>	<u>2,173,469</u>
13. Cost of Sales		
Opening Stock	377,934	Nil
Purchase with direct expenses	1,778,847	2,467,009
Closing Stock	(21,084)	(377,934)
	<u>2,135,697</u>	<u>2,089,075</u>
14. General & Administration Expenses		
Salaries and Other Benefits	328,727	454,539
Travelling	89,082	104,793
Legal, License and Professional Charges	58,955	80,820
Rent	25,650	138,856
Consultancy Charges	14,053	164,456
Communication Expenses	11,802	24,997
Bank Charges	3,780	8,748
Office expenses	2,756	355,510
Visa charges	Nil	36,614
Business Promotion expenses	Nil	27,914
	<u>534,805</u>	<u>1,397,247</u>

Intense Technologies (FZE)
Hamriyah Free Zone Authority, Sharjah, UAE
Notes to the Financial Statements (continued...)
For the year ended March 31, 2018

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 UAE 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.

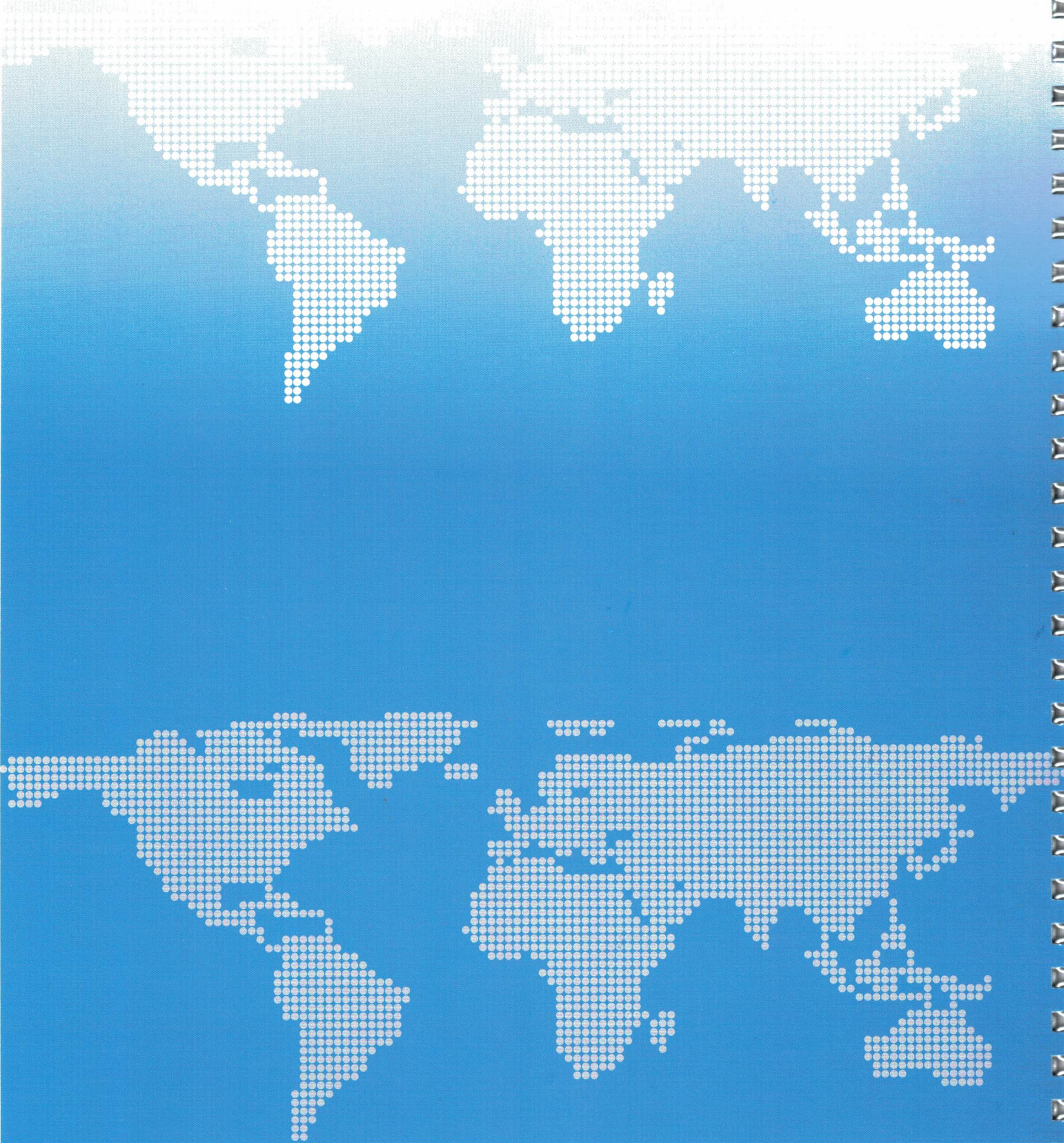
The Report of the Auditors is set out on pages 3 & 4.

These financial statements on pages 5 to 14 were approved by the Manager on April 19, 2018 and signed by:

For Intense Technologies (FZE)

B.S. Reddy
Authorized Signatory





Abdul Rahman Karmustaji Auditing

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عبدالرحمن كرمستجي لتدقيق الحسابات

مكتب دبي :

شقة رقم ١٠٣ - بناية رأس الخيمة للأعمال بسوق الذهب ديرة (بالقرب من محطة المترو بمنطقة الرأس)
ص ب : ١٢٤٦٧١ ، دبي الامارات العربية المتحدة، هاتف / فاكس +٩٧١ ٤ ٢٢٦٣٥٠٥

مكتب الشارقة :

مكتب رقم ٦١ ، الطابق ٦ ، العربي لعب البناء، مقابل. بنك الاتحاد الوطني،
بنك شارع رولة لشارقة، تليفون: ٥٥١٢١١٥ ، ص.ب: ٧٩٣١٢ ، الشارقة - ا.ع.م

البريد الإلكتروني: contact@arkauditing.com