

Emmbi Scandinavia ApS

Kongensgade 103, 7000 Fredericia

Company reg. no. 36 94 04 68

Annual report

29 June 2015 - 31 March 2016

The annual report has been submitted and approved by the general meeting on the 16 August 2016.

Makarand Moreshwar Appalwar
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

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Management's report

The executive board has today presented the annual report of Emmbi Scandinavia ApS for the financial year 29 June 2015 to 31 March 2016.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 March 2016 and of the company's results of its activities in the financial year 29 June 2015 to 31 March 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Fredericia, 31 May 2016

Executive board

Makarand Moreshwar Appalwar

Rinku Makarand Appalwar

The independent auditor's reports

To the shareholders of Emmbi Scandinavia ApS

Report on the annual accounts

We have audited the annual accounts of Emmbi Scandinavia ApS for the financial year 29 June 2015 to 31 March 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control as it determines necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts that give a true and fair view 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 company'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 the overall presentation of the annual accounts.

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

The audit has not resulted in any qualification.

The independent auditor's reports

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 March 2016 and of the results of the company's operations for the financial year 29 June 2015 to 31 March 2016 in accordance with the Danish Financial Statements Act.

Emphasis of matter paragraph on matters in the accounts

Please refer to the management's description in note 1 regarding the assumptions of the company's ability to continue as a going concern.

Reports on other legal and regulatory requirements

Emphasis of matter paragraph on other matters

Against the regulations of the Danish Withholding Tax Act, the company has not reported payment of salaries and wages and withheld tax, and consequently the management may incur liability.

In breach of section 210(1) of the Danish Companies Act, the company has provided a loan to one of the company's directors, and consequently the management may incur liability..

In breach of the Danish VAT Act, the company has during the year reported incorrect VAT declarations, and consequently the management may incur liability.

The company has lost more than 50 % of the share capital. In breach of section 119 of the Danish Companies Act, the company has not called the general meeting within the time limit stipulated by the act, i.e. 6 months from the date when it was verified that the company's equity represents less than 50 % of the subscribed share capital, and consequently the management may incur liability. In note 1, the company's management describes it plans for re-establishment of the equity.

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Fredericia, 31 May 2016

BRANDT

Statsautoriseret Revisionspartnerselskab

Company reg. no. 25 49 21 45

Søren Fricke

State Authorised Public Accountant

Company data

The company

Emmbi Scandinavia ApS
Kongensgade 103
7000 Fredericia

Company reg. no.: 36 94 04 68
Domicile: Fredericia
Financial year: 29 June - 31 March

Executive board

Makarand Moreshwar Appalwar
Rinku Makarand Appalwar

Auditors

BRANDT Statsautoriseret Revisionspartnerselskab
Ryes Plads
Prinsessegade 60
7000 Fredericia

Parent company

Emmbi Industries Ltd.

Management's review

The principal activities of the company

The company's main activity consists of wholesale of packaging.

Unusual matters

There has been no unusual matters, which have affected recognition and measurement.

Uncertainties as to recognition or measurement

At the moment, the company is in the phase of formation of a sales department in Scandinavia.

The parent company, Emmbi Industries Ltd, India, will support the company with the necessary cash funds for financing the company's ability to continue as a going concern and the settlement of the company's liabilities. On this background, the annual report is presented on the assumptions of the company's ability to continue as a going concern.

Beyond the above, no material uncertainties have affected the recognition or measuring.

Development in activities and financial matters

Financial result and position has turned out as expected.

The management of the company expects to re-establish the equity and to present a profit in the following financial years or to make a conversion of the balance with the parent company into new share capital.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for Emmbi Scandinavia ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

This is the company's first financial year, and consequently no comparative figures appear. The annual report is presented in euro (EUR).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

The profit and loss account

Gross loss

The gross loss comprises the net turnover, cost of sales and external costs.

Accounting policies used

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales include costs for the purchase of materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for sales, advertisement and administration.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

The balance sheet

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account

<u>Note</u>	29/6 2015 - 31/3 2016
Gross loss	-10.717
2 Staff costs	-45.482
Operating profit	-56.199
Financial income	623
Financial costs	-17
Results before tax	-55.593
Tax on ordinary results	0
Results for the year	-55.593
 Proposed distribution of the results:	
Allocated from results brought forward	-55.593
Distribution in total	-55.593

Balance sheet

Assets		
<u>Note</u>		<u>31/3 2016</u>
Current assets		
3	Amounts owed by owners and management	11.027
	Accrued income and deferred expenses	<u>1.679</u>
	Debtors in total	<u>12.706</u>
	Cash funds	<u>157</u>
	Current assets in total	<u>12.863</u>
	Assets in total	<u>12.863</u>

Balance sheet

Equity and liabilities		
<u>Note</u>		<u>31/3 2016</u>
Equity		
4	Contributed capital	6.711
5	Results brought forward	-55.593
	Equity in total	<u>-48.882</u>
 Liabilities		
	Trade creditors	4.252
	Debt to group enterprises	45.021
	Other debts	12.472
	Short-term liabilities in total	<u>61.745</u>
	Liabilities in total	<u>61.745</u>
	 Equity and liabilities in total	 <u>12.863</u>
 6	 Mortgage and securities	
7	Contingencies	

Notes

1. Assumption of the company's ability to continue as a going concern

At the moment, the company is in the phase of formation of a sales department in Scandinavia.

The parent company, Emmbi Industries Ltd, India, will support the company with the necessary cash funds for financing the company's ability to continue as a going concern and the settlement of the company's liabilities. On this background, the annual report is presented on the assumptions of the company's ability to continue as a going concern.

The management of the company expects to re-establish the equity and to present a profit in the following financial years or to make a conversion of the balance with the parent company into new share capital.

29/6 2015
- 31/3 2016

2. Staff costs

Salaries and wages	45.482
	<u>45.482</u>

3. Amounts owed by owners and management

Category	Interest rate	Amounts repaid during the financial year	Debtors in total 31 March 2016
Executive board	0	0	11.027

4. Contributed capital

Contributed capital 29 June	6.711
	<u>6.711</u>

5. Results brought forward

Profit or loss for the year brought forward	-55.593
	<u>-55.593</u>

Notes

6. Mortgage and securities

None.

7. Contingencies

Contingent liabilities

None.

Operational leasing

The company has entered into operational leasing contracts with an average annual leasing payment of EURO 9.300. The leasing contracts have 32 months left to run, and the total outstanding leasing payment is EURO 25.000.