PARRY INTERNATIONAL DMCC

DUBAI

UNITED ARAB EMIRATES

FINANCIAL STATEMENTS AND REPORT OF THE AUDITOR

FOR THE YEAR ENDED

31 MARCH 2020

PARRY INTERNATIONAL DMCC

DUBAI

UNITED ARAB EMIRATES

31 MARCH 2020

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The Entity

Principal office address	:	Unit No: AG--PF-04 AG Tower, Plot No: JLT-PH1-I1A, Jumeirah Lakes Towers, Dubai, United Arab Emirates
Shareholder / Parent	:	Parry Sugars Refinery India Private Limited, Company Incorporated under Rules of India. (Holding 100% of equity shares)

Directors	:	Name	Nationality
		Suresh Srinivasan	Indian
		Suresh Kannan	Indian
		Rameshkumar Seethapathi	Indian
Manager	:	Pronab Kumar Dutta	Indian
Auditor	:	Stuart & Hamlyn Chartered Accountants P O Box - 92224 Dubai, United Arab Emirates	
Banker	:	Emirates NBD Head Office, Baniyas Street PO Box 777 Dubai, UAE	

PARRY INTERNATIONAL DMCC
Dubai - United Arab Emirates

Directors Report

The Directors have pleasure in presenting their second report and the audited financial statements for the financial year ended March 31, 2020.

Principal activities of the Entity:

The principal activities of the entity are:

1. Sugar trading.
2. Trading for Proprietary account on regulated exchanges (DMCC).

Financial review:

The table below gives the summarized results for the financial year ended March 31, 2020

Particulars	Financial Year ended March 31, 2020 In AED	Financial period ended March 31, 2019 In AED (December 25, 2017 to March 31, 2019)
Revenue	19,490,169	14,377,307
Expenses net of other Income	24,362,821	11,488,494
Net (loss)/profit for the financial year /period	(4,872,652)	2,888,813

BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENTS:

Based on successful seeding of its sugar trading operations during 2018-19, your company was able to successfully scale up its traded volume and recorded a trading revenue of 18.67 M AED during 2019-20. Sugar markets remained subdued in the first half of the year due to supply surplus. However, second half of the year witnessed a recovery due to tightening global supply.

Due to steep fall in oil prices and depreciation of Brazilian Real, Brazilian mills are expected to maximise their sugar production in 2020-21. This coupled with a normal monsoon predicted for India, is expected to move the global sugar market to a small surplus in 2020-21. Impact of Covid-19 pandemic seems to be muted on global sugar consumption so far.

DIVIDEND

During the financial year ended March 31, 2020, the Entity has not declared any dividend.

RESERVES

The Entity has not transferred any amount to the reserves for the financial year ended March 31, 2020.

EMPLOYEES

The Company has One employee who is the Manager as on March 31, 2020.

SHARE CAPITAL

The Equity Share Capital of the Entity as on March 31, 2019 was AED 8,600,000 comprising of 8,600 Equity Shares of AED 1,000/- each.

100% Equity share capital of the Entity is held by the Parent Company, Parry Sugars Refinery India Private Limited.

DIRECTORS:

1. Mr. Suresh Srinivasan
2. Mr. Suresh Kannan
3. Mr. Rameshkumar Seethapathi

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS:

The Entity is committed to the ongoing process of identifying risk factors, analyzing 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 Directors consider primary risk areas to be: credit risk, interest rate risk, foreign exchange and liquidity risk.

The Directors recognized their responsibilities 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.

GOING CONCERN:

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements the management has made an assessment of the Entity'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 cast significant doubt on the Entity's ability to continue as a going concern.

EVENTS AFTER YEAR END:

In the opinion of the Directors, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Entity.

AUDITORS:

M/s. Stuart & Hamlyn, Chartered Accountants, DMCC Approved Audit Firm (account Number with DMCC : 148608), United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

STATEMENT OF DIRECTORS RESPONSIBILITIES:

The applicable requirements, requires the Directors to prepare the financial statements for each financial year which presents fairly in all material respects, the financial position of the Entity and its financial performance for the year then ended.

The audited financial statements for the year under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably present the Entity's financial conditions and results of its operations.

ACKNOWLEDGEMENTS

The Directors wishes to place on record their sincere gratitude for the continuous support extended by DMCC, banks and other stakeholders.

Suresh Kannan Director	Suresh Srinivasan Director

Date: June 04, 2020 **PARRY INTERNATIONAL DMCC**

Our Ref: 191/2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholder in
Messrs. Parry International DMCC
Unit No. AG—PF-04
AG Tower
Plot No. JLT – PH1 – I1A,
Dubai, United Arab Emirates

Opinion

We have audited the accompanying financial statements of Messrs. Parry International DMCC, Dubai, U.A.E (The Company), which comprise the statement of financial position as at 31 March, 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Messrs. Parry International DMCC – Dubai, U.A.E (The Company), as at 31 March, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company within the meaning of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. . We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control that the management determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit 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.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our auditor's report. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by DMCC regulations:

i) We have obtained all the information we considered necessary for the purposes of our audit;

ii) The Company has maintained proper books of account;

iii) The financial statements of the Company have been prepared and comply, in all material respects with applicable provisions of the Dubai Multi Commodities Centre regulations.

iv) Note 6 to the financial statements of the Company discloses material related party transactions and the terms under which they were conducted;

v) Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the year ended 31 March, 2020 any of the applicable provisions of Dubai Multi Commodities Centre regulations which would materially affect its activities or its financial position as at 31 March, 2020.

Joseph Philip
Reg.No.749
STUART & HAMLYN
CHARTERED ACCOUNTANTS

ISSUED IN DUBAI ON 4 JUNE, 2020

PARRY INTERNATIONAL DMCC - DUBAI, U.A.E
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH, 2020

Assets	**Note**	**31.03.2020 AED**	**31.03.2019 AED**
Non Current Assets			
Property, plant and equipment - net carrying amount	4	3,541	4,453
Current assets			
Trade and other receivables	5	4,662,143	1,222,776
Related party	6	4,366	-
Bank account balances	8	11,955,002	8,965,157
Total		16,621,511	10,187,933
Total assets		**16,625,052**	**10,192,386**
Equity and Liabilities			
Equity			
Capital	9	8,600,000	8,600,000
Accumulated (loss)/income		(4,133,839)	738,813
Total equity		4,466,161	9,338,813
Non-current liabilities			
Provision for employees' end of service benefits		18,812	6,879
Current liabilities			
Accounts payable	10	2,276,283	374,121
Related party	6	2,502,437	454,074
Loan from related party	7	7,342,860	-
Provision for employees' leave and passage		18,499	18,499
Total		12,140,079	846,694
Total liabilities		12,158,891	853,573
Total equity and liabilities		**16,625,052**	**10,192,386**

The accounting policies and notes attached herewith form part of these financial statements.

The independent auditors' report is set forth on page 5-7

MANAGER **DIRECTOR**

APPROVED ON 4 JUNE, 2020

PARRY INTERNATIONAL DMCC - DUBAI, U.A.E
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH, 2020

	Note	31.03.2020 AED	For the period of fourteen months and ten days ended 31.03.2019 AED
Revenue	11	19,490,169	14,377,307
Direct, operating and administrative expenses			
Cost of goods sold	11	(18,256,035)	(4,710,042)
Operating, administrative and general expenses	12	(2,649,001)	(1,555,535)
Service fee charged by related party	13	(2,822,751)	(4,182,349)
Interest on loan charged by related party	7	(32,855)	-
Depreciation		(912)	(456)
Bank charges		(151,176)	(150,120)
Mark to market loss on the exchange positions		(507,349)	(995,383)
Other income		57,258	105,391
Net (loss)/ profit for the year/ period		**(4,872,652)**	**2,888,813**

The accounting policies and notes attached herewith form part of these financial statements.

The independent auditors' report is set forth on page 5-7

MANAGER **DIRECTOR**

APPROVED ON 4 JUNE, 2020

PARRY INTERNATIONAL DMCC - DUBAI, U.A.E
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH, 2020

	Capital AED	Accumulated income / (loss) AED	Total AED
Capital introduced	8,600,000	-	8,600,000
Net profit for the period	-	2,888,813	2,888,813
Interim dividend distributed	-	(2,150,000)	(2,150,000)
Balance at 31 March, 2019	8,600,000	738,813	9,338,813
Net (loss) for the year	-	(4,872,652)	(4,872,652)
Balance at 31 March, 2020	**8,600,000**	**(4,133,839)**	**4,466,161**

The accounting policies and notes attached herewith form part of these financial statements.

The independent auditors' report is set forth on page 5-7

MANAGER **DIRECTOR**

APPROVED ON 4 JUNE, 2020

PARRY INTERNATIONAL DMCC - DUBAI, U.A.E
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH, 2020

	31.03.2020 AED	For the period of fourteen months and ten days ended 31.03.2019 AED
Operating activities		
Net (loss)/ profit for the year/ period	(4,872,652)	2,888,813
Adjustments for:		
Depreciation	912	456
Provision for employee's end of service benefits	11,933	6,879
Net cash flow before changes in operating assets and liabilities	(4,859,807)	2,896,148
Changes in operating assets and liabilities:		
Movement in related party account	1,281,989	454,074
Trade and other receivables	(3,439,367)	(1,222,776)
Trade and other payables	1,902,162	374,121
Provision for employee's leave and passage	-	18,499
Net cash (used in)/generated from operating activities	(5,115,023)	2,520,066
Investing activities		
Payment for purchase of property, plant and equipment	-	(4,909)
Financing activities		
Capital introduced	-	8,600,000
Interim dividend declared and distributed	-	(2,150,000)
Movement in related party account	762,008	-
Loan from related party	7,342,860	-
Net cash generated from operating activities	8,104,868	6,450,000
Increase in cash and cash equivalents	2,989,845	8,965,157
Cash and cash equivalents at the begining of the year/period	8,965,157	-
Cash and cash equivalents at the end of the year/period	**11,955,002**	**8,965,157**

The accounting policies and notes attached herewith form part of these financial statements.

The independent auditors' report is set forth on page 5-7

MANAGER **DIRECTOR**

APPROVED ON 4 JUNE, 2020

Note 1 General information

1.1 Incorporation

Parry International DMCC, DUBAI (The Company) was formed as a Limited Liability Company at Dubai Multi Commodities Centre (DMCC) in accordance with the provisions of the Law No. (4) of 2001 and order dated 1 May, 2002 in respect of establishing Dubai Multi Commodities Centre Authority. The entity was registered in the trade registry on 25 December, 2017 under Certificate No. DMCC101800 and operates under Trade License No. DMCC-392178 and DMCC- 377579 issued on 22 January 2018, by DMCC Authority.

1.2 Activities

The Company is licensed to operate :

Under Trade license No. DMCC -392178
- Trading for proprietary account on regulated exchanges (DMCC)

Under Trade license No. DMCC -377579
- Sugar trading

1.3 Address

The registered address of the Company is at Unit No. AG- - PF-04, AG Tower, Plot No.JLT - PH1 - I1A, Jumeirah Lake Towers, Dubai, United Arab Emirates.

1.4 Shareholders

	No. of shares	Amount AED	% of capital
Parry Sugars Refinery India Private Limited (A legal corporate entity formed under laws of India)	8,600	8,600,000	100
Total	8,600	8,600,000	100

Note 2 Summary of significant accounting policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with "International Financial Reporting Standard for Small and Medium-sized Entities" (IFRS for SMEs) issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below.

The preparation of financial statements in conformity with IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in process of applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in Note (3).

Adoption of new and revised International Financial Reporting Standards (IFRSs)

New standards, interpretations and amendments effective for the current year

The following new and revised standards and interpretations have been adopted in the current year:

International Accounting Standards (IAS/IFRSs)	*Effective date*
IFRS 16 Leases	1-Jan-2019
IFRIC 23 Uncertainity over Income Tax treatments	1-Jan-2019
IFRS 9 Prepayment Features with Negative Compensation (Amendments to IFRS	1-Jan-2019
IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments to IAS	1-Jan-2019
IAS 19 Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	1-Jan-2019
Annual Improvements to IFRS Standards 2015–2017 Cycle (IFRS 3, IFRS 11, IAS 12 and IAS 23)	1-Jan-2019
Definition of Material- Amendments to IAS 1 and IAS 8	1-Jan-2020
Definition of Business-Amendments to IFRS 3	1-Jan-2020
Revised Conceptual Framework for Financial Reporting	1-Jan-2020

New standards, interpretations and amendments in issue but are not yet effective

Standards, amendments and interpretations issued but not yet effective at the date of authorisation of these financial statements are listed below. The Company intends to adopt those standards when they become effective.

International Accounting Standards (IAS/IFRSs)	*Effective date*
IFRS 17 Insurance Contracts	1-Jan-2021
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	To be determined

The management believes that the adoption of the above amendments are not likely to have any significant impact on the financial statements of the Company for future periods.

2.2 Basis of preparation and presentation

These financial statements have been prepared prudently on the assumption that the Company as an entity shall continue in business for the foreseeable future and taking into account expenses and income related to the financial year irrespective of whether they have been paid and received and in accordance with historical cost convention under which assets are shown at or below its original cost to the Company and no allowance has been made to cover its replacement cost.

2.3 Foreign currency transactions and translation

a - Functional and presentation currency

Items included in the financial statements of the Company are denominated in United Arab Emirates Dirhams (AED) as majority of the Company's transactions are conducted in that currency. The financial statements of the Company therefore are expressed in United Arab Emirates Dirhams (AED).

b - Transactions and balances

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates - United Arab Emirates Dirhams (AED).

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within "finance income or costs". All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains - net.

2.4 Cash and cash equivalents

Cash and cash equivalents includes bank balance, demand deposits and other short term highly liquid investments with original maturities of three months or less.

2.5 Trade receivables

The Establishment always measures the loss allowance for trade receivables at an amount equal to lifetime Expected Credit Loss (ECL). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

2.6 Impairment of non financial asset other than inventories

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that an asset may be impaired, the carrying value of the asset (or Cash-Generating Unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.7 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

2.8 Property, plant and equipment

Recognition and measurement:

Property, plant and equipment is stated at historical costs less accumulated depreciation and any accumulated impairment losses. Historical costs includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The Company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefit to the Company. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted, if there is an indication of significant change since the last reporting date.

The assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than the estimated recoverable amount.

Gain and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within the other gain/losses - net in the statement of profit or loss and other comprehensive income.

Depreciation

Items of property, plant and equipment are depreciated on a straight - line basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Agency will obtain ownership by the end of the lease term. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the assets is completed and ready for use. The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

	Expected useful life (years)	Annual rate (%)
Office equipments	4	25

2.9 Trade payables

Trade payables are recognised initially at the transaction price and stated in the balance sheet at their nominal value.

2.10 Provisions

Provision for restructuring costs and legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.11 Employees' benefit obligations

The liability has been recognised in the statement of financial position in respect of employees leave, passage and end of service benefits on time basis in full for every employee in the service of the Company at the end of the reporting year in accordance with the provisions of the Labour Law of the United Arab Emirates.

2.12 Share capital

Ordinary shares are classified as equity.

2.13 Revenue from contracts with customers

Revenue from contracts with customer is recognised when control of goods or services are transferred to the customer of an amount that reflects the consideration to which the Company expect to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods

Rendering of services

Revenue from services is recognized when services are rendered.

Note 3 Judgements and key sources of estimation

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have most significant effect on the amounts recognised in the financial statements are described below:

Impairment losses on property, plant and equipment

The Company reviews its property; plant and equipment to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be recognised in profit or loss, the Company makes judgments as to whether there is any observable data indicating that there is a reduction in the carrying value of property, plant and equipment. Accordingly, provision for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property, plant and equipment.

Impairment losses on trade and other receivables and other financial assets

The Company reviews its trade and other receivables and other financial assets to assess impairment at least on annual basis. The Company's credit risk is primarily attributable to its trade receivables. In determining whether the impairment loss should be reported in profit or loss, the Company makes judgement as to whether there is any observable data indicating that there is a measureable decrease in the amount to be realized from the respective parties. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Estimated useful lives and residual values of property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and the expected physical wear and tear which depends on operational factors. The Company management has carried out a review of the useful lives and residual values of property and equipment. Management has not highlighted any requirement for an adjustment to the residual values and remaining useful lives of property, plant and equipment for the current or future periods.

3.1 Application of new and revised International Financial Reporting Standards (IFRSs)

New and ammended standards and interpretations

The Company applied for the first-time certain amendments to the standards, which are effective for annual periods beginning on or after 01 January 2019. The company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The nature and effect of the changes as a result of adoption of IFRS 16 is described below. The amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the Company.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an arrangement contain a Lease, SIC -15 Operating Leases- Incentives and SIC -27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases an requires lessees to recognise most lease on the Statement of Financial Position.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where the Company is the lessor.

Since the Company does not have any operating leases falling under the scope of IFRS 16, the adoption of IFRS 16 did not gave a material impact on the financials statements of the Company.

Note 4 Property, plant and equipment

	Office equipment
Cost	
Purchased during the period	4909
At 31 March 2019	4,909
At 31 March 2020	4,909
Depreciation	25%
Charge for the period	456
At 31 March 2019	456
Charge for the year	912
At 31 March 2020	1,368
Net carrying amount	
At 31 March, 2020	3,541
At 31 March, 2019	4,453

Note 5 Trade and other receivables

	31.03.2020 AED	31.03.2019 AED
Trade debtors	4,559,967	1,117,148
Prepayments	87,727	87,727
Labour guarantee deposit	3,000	6,000
Other refundable deposits	6,500	6,500
Other receivables	4,949	5,401
Total	4,662,143	1,222,776

5.1 Trade debtors

Trade debtors disclosed above are receivables arising from commercial trade transactions with Company's established trade clients.

The Company measures the loss allowances for trade receivables at an amount equal to life time ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has not recognised any loss allowance as on 31 March, 2020 since majority of the receivables have been collected subsequently.

The age analysis of trade debtors are as follows:	31.03.2020 AED	31.03.2019 AED
0-30 days	2,264,259	1,117,148
31-60 days	2,295,708	-
Total	4,559,967	1,117,148

Note 6 Related party

The Company enters into transactions with other parties that fall within the definition of a related party contained in International Financial Reporting Standards (IAS 24). Such transactions are carried out with such parties in the normal course of business and at terms that correspond to those on normal arm's length transactions with other parties. The related party transactions and the balances arising from these transactions at 31 March, 2020 are as follows:

Transactions	31.03.2020 AED	31.03.2019 AED
Purchase of merchandise	17,335,043	2,523,374
Service fee charged by related party	2,822,751	4,182,349
Fundings from related party	762,008	-
Loan from related party (Note 7)	7,342,860	-

	31.03.2020 AED	31.03.2019 AED
Commercial transactions - due to		
EID Parry (India) Limited - India	(1,736,063)	-
Parry Sugars Refinery India Private Limited - India	-	(454,074)
	(1,736,063)	(454,074)
Non commercial transactions - due from / (due to)		
EID Parry (India) Limited - India	4,366	-
Parry Sugars Refinery India Private Limited -India	(766,374)	-
Total due to	(2,502,437)	(454,074)
Total due from	4,366	-

Note 7 Loan from related party

This loan represents funding from Messrs. Parry Sugars Refinery India Private Limited -India to support the working capital requirements of the Company. The loan is payable within one year period from the date of availing the fund and bear interest at the rate of 1.5% more than six months US Dollar LIBOR rate per annum. Accordingly the current interest rate is 3.2206%, (1.7206%+ 1.50%).

	31.03.2020 AED	31.03.2019 AED
Loan obtained during the year	7,342,860	-

Note 8 Bank account balances

	31.03.2020 AED	31.03.2019 AED
Bank current account balances	6,911,011	3,965,157
Bank term deposits (Maturity within three months)	5,043,991	5,000,000
Total	11,955,002	8,965,157

Note 9 Capital

The capital of the Company represents 8,600 fully paid up share of AED 1,000 each (See note 1.4).

Note 10 Accounts payable

	31.03.2020 AED	31.03.2019 AED
Payable to commodity exchange	1,502,732	362,121
Advance from customers	207,678	-
Accrued expenses	15,000	12,000
Other payables	550,873	-
Total	2,276,283	374,121

Note 11 Segment information

	31.03.2020 AED	31.03.2019 AED
Revenue		
Merchandise sales	18,674,527	2,517,844
Commodity exchange revenue	815,642	11,859,463
Total	19,490,169	14,377,307
Direct cost		
Merchandise purchase	17,335,043	2,523,374
Commodity exchange fees and related charges	920,992	2,186,668
Total	18,256,035	4,710,042

Note 12 Operating, administrative and general expenses

	31.03.2020 AED	31.03.2019 AED
Payroll and related costs	395,933	235,840
Office lease rental	68,906	79,158
License and registration	64,545	56,323
Professional and consultancy charges	569,100	115,426
Commodity exchange commission	1,464,107	997,614
Other general expenses	86,410	71,174
Total	2,649,001	1,555,535

Note 13 Service fee charged by related party

During the year the Company availed administrative and management services from the related party Messrs. Parry Sugars Refinery India Private Limited for a fee of AED 2,822,751.

Note 14 Financial risk management

The Company has exposure to the following risks from use of its financial instruments:
Credit risk
Liquidity risk
Market risk

The management has overall responsibility for the establishment and oversight of the Company's risk management framework. The management is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

14.1 Credit risk

Credit risk is managed on group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The credit risk on liquid fund is limited because the counter parties are banks with high credit ratings assigned by International Credit Rating Agencies. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Credit risk is limited to the carrying amount of the financial assets comprising of cash and cash equivalents, deposits refundable, and advances for expenses. The management continuously review all financial assets portfolios in order to assess reliability and risks associated therewith.

The maximum exposure to credit risk at the reporting date was:

	31.03.2020 AED	31.03.2019 AED
Trade and other receivables	4,574,416	1,135,049
Related party	4,366	-
Bank account balances	11,955,002	8,965,157
Total	16,533,784	10,100,206

14.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's business and reputation.

The following are the contractual maturities of financial liabilities of the Company at the reporting date:

	Carrying amount AED	Contractual cash flows AED	Less than 1 year AED	More than 1 year AED
Accounts payables	2,276,283	2,276,283	2,276,283	-
Related party	2,502,437	2,502,437	2,502,437	-
Employees' end of service benefits	18,812	18,812	-	18,812
Employees' leave and passage	18,499	18,499	18,499	-
Loan from related party	7,342,860	7,342,860	7,342,860	-
Total	12,158,891	12,158,891	12,140,079	18,812

14.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company's exposure to market risk arises from:

Currency risk

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of Company. The Company is not exposed to exchange rate risk on transactions relating to US $ as AED is currently pegged to US $. At the reporting date all the transactions in financial assets and financial liabilities are denominated in the functional currency of the Company therefore the Company is not exposed to currency risk.

Interest rate risk

The Company is exposed to interest rate risk when it borrows funds at floating interest rates. The Company does not have any interest bearing borrowings at the reporting date.

Note 15 Number of employees

	2020 No.	2019 No.
Number of employees in service of the Company at 31 March,	1	2

Note 16 Events after the reporting period

World Health Organization (WHO) made assessment that the outbreak of Coronavirus (COVID-19) can be characterized as a pandemic. In addition, oil prices significantly dropped between January to March 2020 because of number of political and economical factor. As a result, businesses have subsequently seen reduced customer traffic and where governments mandated temporary suspension of travel and closure of recreation and public facilities.

To alleviate the negative impact of COVID-19 pandemic, the UAE Government, Central Bank and other independent jurisdictions and regulators have taken measures and issued directives to support business and the UAE economy at large, including extensions of deadlines, facilitating continuation of business through social-distancing and easing pressure on credit and liquidity in the UAE.

These conditions are considered subsequent non adjusting events, and impacted the economic and risk environment in which the Company operates.

The situation, including the government and public response to the challenges, continues to progress and rapidly evolve. Therefore, the extent and duration of the impact of these conditions remain uncertain and depends on future developments that cannot be accurately predicted at this stage, and reliable estimate of such and impact cannot be made at the date of authorisation of these financial statements.

Note 17 Approval of financial statements

These financial statements were approved by the board of directors and authorized for issue on 4 June, 2020.

MANAGER **DIRECTOR**

APPROVED ON 4 JUNE, 2020