PARRY INTERNATIONAL DMCC

DUBAI

UNITED ARAB EMIRATES

FINANCIAL STATEMENTS AND REPORT OF THE AUDITOR

FOR THE YEAR ENDED

31 MARCH 2021

Our Ref: 170/21

INDEPENDENT AUDITOR'S REPORT

To the Shareholder in
Messrs. Parry International DMCC
Unit No. 4502-023
Mazaya Business Avenue BB2
Plot No. JLTE – PH2 – BB2,
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, 2021, 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, 2021, 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.

Emphasis of Matter:

Without qualifying the report, we wish to highlight the content of (Note 12) to the financial statement with regards to the going concern status of the Company. These financial statements have been prepared under going concern concept despite the fact that the Company has negative equity and working capital deficit, considering the undertaking provided by the shareholder.

Stuart & Hamlyn Chartered Accountants

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.

Stuart & Hamlyn Chartered Accountants

• 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 7 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, 2021 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, 2021.

Stuart & Hamlyn Chartered Accountants
P.O. Box: 92224
DUBAI - U.A.E.

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

ISSUED IN DUBAI ON 21 JUNE, 2021

PARRY INTERNATIONAL DMCC - DUBAI, U.A.E
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH, 2021

Assets	**Note**	**31.03.2021 AED**	**31.03.2020 AED**
Non Current Assets			
Property, plant and equipment - net carrying amount	5	2,628	3,541
Current assets			
Trade and other receivables	6	3,782,264	4,662,143
Related party	7	-	4,366
Bank account balances	9	11,150,223	11,955,002
Total		14,932,487	16,621,511
Total assets		**14,935,115**	**16,625,052**
Equity and Liabilities			
Equity			
Share capital	10	8,600,000	8,600,000
Accumulated (losses)		(26,430,498)	(4,133,839)
Share application money pending allotment	11	7,342,952	-
Total equity	12	(10,487,546)	4,466,161
Non-current liabilities			
Provision for employees' end of service benefits		30,712	18,812
Current liabilities			
Accounts payable	13	3,516,169	2,276,283
Related party	7	7,119,316	2,502,437
Loans from related party	8	14,737,965	7,342,860
Provision for employees' leave and passage		18,499	18,499
Total		25,391,949	12,140,079
Total liabilities		25,422,661	12,158,891
Total equity and liabilities		**14,935,115**	**16,625,052**

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 21 JUNE, 2021

PARRY INTERNATIONAL DMCC - DUBAI, U.A.E
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH, 2021

	Note	31.03.2021 AED	31.03.2020 AED
Revenue	14	(4,683,883)	19,490,169
Direct, operating and administrative expenses			
Cost of goods sold	14	(13,949,733)	(18,256,035)
Operating, administrative and general expenses	15	(1,144,150)	(2,649,001)
Service fee charged by related party	16	(186,930)	(2,822,751)
Interest on loan charged by related party	8	(47,965)	(32,855)
Depreciation		(913)	(912)
Bank charges		(253,105)	(151,176)
Mark to market loss on the exchange positions		(1,997,437)	(507,349)
Loss on foreign currency exchange		(32,543)	-
Other income		-	57,258
Net (loss) for the year		**(22,296,659)**	**(4,872,652)**

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 21 JUNE , 2021

PARRY INTERNATIONAL DMCC - DUBAI, U.A.E
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH, 2021

	Share capital AED	Accumulated (losses) AED	Share application money pending allotment AED	Total AED
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
Share application money	-	-	7,342,952	7,342,952
Net (loss) for the year	-	(22,296,659)	-	(22,296,659)
Balance at 31 March, 2021	**8,600,000**	**(26,430,498)**	**7,342,952**	**(10,487,546)**

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 21 JUNE, 2021

PARRY INTERNATIONAL DMCC - DUBAI, U.A.E
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH, 2021

	31.03.2021 AED	31.03.2020 AED
Operating activities		
Net (loss) for the year	(22,296,659)	(4,872,652)
Adjustments for:		
Depreciation	913	912
Provision for employee's end of service benefits	11,900	11,933
Net cash flow before changes in operating assets and liabilities	(22,283,846)	(4,859,807)
Changes in operating assets and liabilities:		
Movement in related party account	5,383,253	1,281,989
Trade and other receivables	879,879	(3,439,367)
Trade and other payables	1,239,886	1,902,162
Net cash (used in) operating activities	(14,780,828)	(5,115,023)
Financing activities		
Share application money pending allotment	7,342,952	-
Movement in related party account	(762,008)	762,008
Movement in loan from related party	7,395,105	7,342,860
Net cash generated from operating activities	13,976,049	8,104,868
(Decrease)/increase in cash and cash equivalents	(804,779)	2,989,845
Cash and cash equivalents at the begining of the year	11,955,002	8,965,157
Cash and cash equivalents at the end of the year/period	**11,150,223**	**11,955,002**

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 21 JUNE, 2021

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. 4502-023, Mazaya Business Avenue BB2, Plot No. JLTE - PH2 - BB2, 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) (Refer Note 10)	8,600	8,600,000	100

Note 2 Adoption of new and revised International Financial Reporting Standards (IFRSs)

2.1 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*
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
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	1-Jan-2020
COVID 19 Related Rent Concessions (Amendment to IFRS 16)	1-Jun-2020
Interest Rate Benchmark Reform-Phase 2 (Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16)	1-Jan-2021
IFRS 17 Insurance Contracts	1-Jan-2021

2.2 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*
Onerous Contracts- Cost of fulfilling a Contract (Amendments to IAS 37)	1-Jan-2022
Annual improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)	1-Jan-2022
Property, Plant and Equipment - Proceeds before intended use (Amendments to IAS 16)	1-Jan-2022
Reference to the conceptual framework (Amendments to IFRS 3)	1-Jan-2022
Classification of Liabilities as current or non current (Amendments to IAS 1)	1-Jan-2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1-Jan-2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	To be determined

Note 3 Summary of significant accounting policies

3.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied all the years presented unless otherwise stated.

The preparation of financial statements in conformity with IFRS 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 (4).

3.2 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.

3.3 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

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.

3.4 Current/ Non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset as current when it is:

Expected to be realised or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

3.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3.6 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 Company 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 equipment	4	25

3.7 Share capital

Ordinary shares are classified as equity.

3.8 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

3.9 Financial assets

<u>Classification</u>

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI "FVTOCI", or through profit or loss "FVTPL"),

- and those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets comprise of cash and cash equivalents, trade and other receivables, due from related parties and other financial assets.

3.9.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3.9.2 *Receivables*

Receivable balances that are held to collect are subsequently measured at the lower of amortized cost or the present value of estimated future cash flows. The present value of estimated future cash flows is determined through the use of value adjustments for uncollectible amounts. The Company assesses on a forward-looking basis the expected credit losses associated with its receivables and adjusts the value to the expected collectible amounts.

Receivables are written off when they are deemed uncollectible because of bankruptcy or other forms of receivership of the debtors. The assessment of expected credit losses on receivables takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region and other forward-looking information.

3.9.3 *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.

3.9.4 *Other financial assets*

Other financial assets include both debt instrument and equity instruments. Debt instruments include those subsequently carried at amortized cost, those carried at FVPTL and those carried at FVTOCI.

3.10 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include other payables, loans and borrowings, due to and loans from related parties.

3.10.1 *Other payables*

Other payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

3.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.12 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 period in accordance with the provisions of the Labour Law of the United Arab Emirates.

3.13 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Sale of goods or services

Revenue from the sale of goods in normal course of business is recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer.

The consideration expected by the Company may include fixed or variable amounts which can be impacted by sales returns, trade discounts and volume rebates. Revenue for the sale of goods is recognized when control of the asset is transferred to the buyer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods or services are accounted for separately based on their stand-alone selling prices. Revenue is recorded net of value added tax (VAT). A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For products for which a right of return exists during a defined period, revenue recognition is determined based on the historical pattern of actual returns, or in cases where such information is not available, revenue recognition is postponed until the return period has lapsed.

Note 4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in policy notes, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

The significant judgements and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Critical judgements in applying accounting policies

In the process of applying the Company's accounting policies, which are described above, and due to the nature of operations, management makes the following judgement that has the most significant effect on the amounts recognised in the separate financial statements.

Determining the timing of satisfaction of performance obligations - revenue recognition

In making their judgement, the Company considers the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Company has transferred control of the goods to the customer. The management is satisfied that control has been transferred and that recognition of revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision as applicable.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Useful lives 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 expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

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 measurable 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.

Employee's terminal benefits

For employees terminal provision, actuarial calculations area not made. Hence provision is made on the assumption that all employees were to leave as of the end of the reporting period since it provides, in management's opinion, a reasonable estimate of the present value of the terminal benefits

Note 5 Property, plant and equipment

	Office equipment
Cost	
At 31 March 2020	4,909
At 31 March 2021	4,909
Depreciation	25%
At 31 March 2020	1,368
Charge for the year	913
At 31 March 2021	2,281
Net carrying amount	
At 31 March, 2021	2,628
At 31 March, 2020	3,541

Note 6 Trade and other receivables

	31.03.2021 AED	31.03.2020 AED
Trade debtors	3,693,100	4,559,967
Prepayments	75,948	87,727
Labour guarantee deposit	3,000	3,000
Other refundable deposits	3,000	6,500
Other receivables	7,216	4,949
Total	3,782,264	4,662,143

6.1 Trade debtors

Trade receivables inherently expose the Company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

The outstanding receivable balance as on 31 March, 2021 fully belongs to the commodity trading broker which is mainly against the margin money induced for adjusting any trade losses, commissions or related expenses.

Note 7 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, 2021 are as follows:

Transactions	31.03.2021 AED	31.03.2020 AED
Purchase of merchandise	13,341,535	17,335,043
Service fee charged by related party	186,930	2,822,751
Repayment/fundings from related party	762,008	762,008
Loans from related party (Note 8)	14,737,965	7,342,860

Commercial transactions - due to	31.03.2021 AED	31.03.2020 AED
EID Parry (India) Limited - India	(6,051)	(1,736,063)
Parry Sugars Refinery India Private Limited - India	(7,113,265)	-
	(7,119,316)	(1,736,063)

Non commercial transactions - due from / (due to)	31.03.2021 AED	31.03.2020 AED
EID Parry (India) Limited - India	-	4,366
Parry Sugars Refinery India Private Limited -India	-	(766,374)
Total due to	(7,119,316)	(2,502,437)
Total due from	-	4,366

Note 8 Loans from related party

These loans represent funding from Messrs. Parry Sugars Refinery India Private Limited -India to support the working capital requirements of the Company. The loans are 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 rates are 1.6994% and 1.7479% ((0.1994%+ 1.50%) and ((0.2479%+1.50%)).

	31.03.2021 AED	31.03.2020 AED
Loans obtained during the year	14,737,965	7,342,860

Note 9 Bank account balances

	31.03.2021 AED	31.03.2020 AED
Bank current account balances	11,150,223	6,911,011
Bank term deposits (Maturity within three months)	-	5,043,991
Total	11,150,223	11,955,002

Note 10 Share capital

The registered share capital of the Company was AED 8,600,000 made up of 8,600 fully paid up share of AED 1,000 each (see note 1.4)

Note 11 Share application money pending allotment

The registered share capital of the Company was AED 8,600,000 made up of 8,600 fully paid up share of AED 1,000 each. The shareholder decided to enhance the capital of the Company in March 2021, to AED 15,942,952 and deposited required funds in the bank. The formal registration of this enhancement is under process with the authorities. Hence this is shown separately under Share application money until the revised share certificate is issued.

Note 12 Going concern

Notwithstanding the fact that the Company at the reporting date reports negative equity of AED 10,487,546 and a negative working capital of AED 10,459,462 the Company shall continue to carry on its business activities for the foreseeable future as going concern as the shareholder is willing and able to finance the activities of the Company. The shareholder is committed to support the funding requirements of the Company for the foreseeable future.

Note 13 Accounts payable

	31.03.2021 AED	31.03.2020 AED
Mark to market provisions	3,500,169	1,502,732
Advance from customers	-	207,678
Accrued expenses	16,000	15,000
Other payables	-	550,873
Total	3,516,169	2,276,283

Note 14 Segment information

	31.03.2021 AED	31.03.2020 AED
Revenue		
Merchandise sales	14,776,956	18,674,527
Commodity exchange net revenue -	(19,460,839)	815,642
Total	(4,683,883)	19,490,169
Direct cost		
Merchandise purchase	13,341,535	17,335,043
Commodity exchange fees and related charges	608,198	920,992
Total	13,949,733	18,256,035

Note 15 Operating, administrative and general expenses

	31.03.2021 AED	31.03.2020 AED
Payroll and related costs	395,900	395,933
Office lease rental	66,354	68,906
License and renewals	39,798	64,545
Professional and consultancy charges	204,050	569,100
Commodity exchange commission	377,737	1,464,107
Other general expenses	60,311	86,410
Total	1,144,150	2,649,001

Note 16 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 186,930.

Note 17 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 Company 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.

17.1 Credit risk

Credit risk is managed on group basis. Credit risk arises from 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:

	31.03.2021 AED	31.03.2020 AED
Trade and other receivables	3,706,316	4,574,416
Related party	-	4,366
Total	3,706,316	4,578,782

17.2 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	3,516,169	3,516,169	3,516,169	-
Related party	7,119,316	7,119,316	7,119,316	-
Employees' end of service benefits	30,712	30,712	-	30,712
Employees' leave and passage	18,499	18,499	18,499	-
Loan from related party	14,737,965	14,737,965	14,737,965	-
Total	25,422,661	25,422,661	25,391,949	30,712

17.3 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 18 Number of employees

	31.03.2021 No.	31.03.2020 No.
Number of employees in service of the Company at 31 March,	1	1

Note 19 Implications of COVID-19 on business

The COVID-19 outbreak developed rapidly in the year 2020 resulting in imposing significant travel and transport restrictions, including mandated closures and orders to ‘self-isolate’ and quarantine restrictions by UAE Government in March 2020 which began easing by end of the year 2020. To date, the Company has taken measures to protect the health and safety of staff, and has worked with clients and suppliers to minimise disruptions and support the community in addressing the challenges posed by this ongoing global pandemic

As a consequence of the pandemic, the growth in revenue of the Company for the year ended 31 March 2021 has been less than planned. In response to this, together with the general macroeconomic uncertainty caused by the pandemic and broader disruption to economic activity, the Company has carefully managed and monitored its liquidity and capital resources.

Note 20 Approval of financial statements

These financial statements were approved by the board of directors and authorized for issue on 21 June, 2021.