ATUL MIDDLE EAST FZ-LLC
DUBAI - UNITED ARAB EMIRATES

INDEPENDENT AUDITOR'S REPORT
AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

ATUL MIDDLE EAST FZ-LLC
DUBAI - UNITED ARAB EMIRATES

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ATUL MIDDLE EAST FZ-LLC
DUBAI - UNITED ARAB EMIRATES

Report of the Directors for the year ended March 31, 2021

The Directors have pleasure in presenting their report and the audited financial statements for the year ended March 31, 2021.

Principal Activities:

The Company is mainly engaged in the business of research and development, storage, import and re-export, support service, marketing and sales promotion of agricultural, forestry and horticulture and speciality supplies.

Risk management and internal control systems

The Company is committed to the management of risk to achieve sustainability, employment and surpluses. The risk management framework identifies, assesses, manages and reports risk on a consistent and reliable basis. The primary risks are those of credit, market (liquidity, interest rate, foreign exchange) and operational risk.

The management recognises their responsibility for system of internal control and for reviewing its effectiveness. In view of the above, the Company continuously monitors risks through means of administrative and information systems. Periodic MIS reports are generated which help to mitigate risks and provide full transparency.

Events after year end

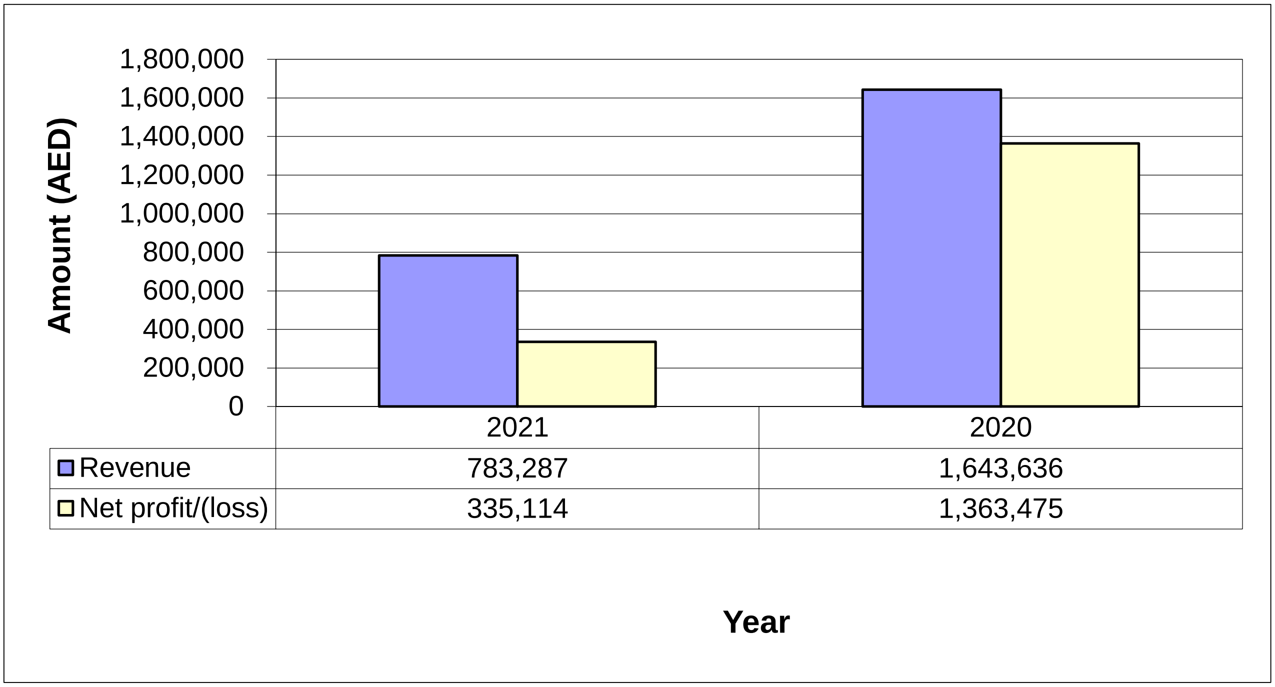
In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect, substantially the result of the operations of the Company for the financial year then ended.

Performance analysis

	March 2021 AED	March 2020 AED
Revenue	**783,287**	1,643,636
Profit for the year	**335,114**	1,363,475

Operating results

Performance analysis



Auditors

The auditors of the Company, M/s. A C S MAJDI Auditing of Accounts, Dubai - United Arab Emirates are willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General meeting.

Directors' responsibilities

The Company Law requires the Directors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that year.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the relevant governing laws.

Acknowledgments

The Directors wish to place on record their sincere gratitude for the continuous support extended by various government departments, bankers, customers, suppliers, employees and all well wishers.

For and on behalf of the Board of Directors

BHARATHY NARAYANAN MOHANAN

Digitally signed by BHARATHY NARAYANAN MOHANAN
Date: 2021.04.20 16:39:56 +05'30'

Director, Manager and Legal Representative

INDEPENDENT AUDITOR'S REPORT

Ref. no. ACS/AR/20102/

To

The Shareholder
M/s. Atul Middle East FZ-LLC
Dubai - United Arab Emirates

Report on the audit of financial statements

Opinion

We have audited the accompanying financial statements of **M/s. Atul Middle East FZ-LLC**, Dubai - United Arab Emirates ("the Company") which comprise the statement of financial position as at March 31, 2021, the statement of profit or loss & other comprehensive income, statement of changes in shareholder's equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion and to the best of our information and according to the information & explanations given to us, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). The management is also responsible for such internal controls as it determines 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.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's responsibility for the audit of the financial statements

Our objectives 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 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 the management.

- Conclude on the appropriateness of the 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 auditor’s report to the related disclosures in the financial statements or, if such disclosure is inadequate, to modify our opinion. 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 communicate with the management 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 Dubai Creative Clusters Private Companies Regulations 2016, we further report that,

1 We have obtained all the information and explanations we considered necessary for our audit;

2 The accompanying financial statements have been prepared and comply, in all material respects, with the applicable provisions of the above said Law;

3 Proper books of accounts have been maintained by the Company;

4 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, any of the applicable provisions of the above mentioned law or the Company's Articles of Association; which may have material effect on the financial position of the Company or the result of its operations for the year.

Dubai

A C S MAJDI Auditing of Accounts -----------------

ATUL MIDDLE EAST FZ-LLC
DUBAI - UNITED ARAB EMIRATES

Statement of Financial Position
As at March 31, 2021
(In Arab Emirates Dirhams)

	Notes	**Mar 31, 2021**	Mar 31, 2020
Assets			
Non current assets		**-**	-
Current assets			
Cash and bank balances	5	**372,200**	195,641
Accounts receivable	6	**617,910**	328,374
Other receivables	7	**71,032**	76,023
Total current assets		**1,061,142**	600,038
Total assets		**1,061,142**	600,038
Shareholder's equity and Liabilities			
Shareholder's equity			
Share capital	1	**300,000**	300,000
Statutory reserve	8	**150,000**	136,348
Retained earnings		**476,663**	155,201
Shareholder's current account		**(2,620)**	-
Total shareholder's equity		**924,043**	591,549
Current liabilities			
Other payables	9	**137,099**	8,489
Total current liabilities		**137,099**	8,489
Total shareholder's equity and liabilities		**1,061,142**	600,038

The accompanying notes form an integral part of these financial statements.

The Report of the Auditor is set out on pages 3 to 5.

The financial statements on pages 4 to 20 were approved by the Management on -------------- and signed on its behalf by:

BHARATHY NARAYANAN MOHANAN

Digitally signed by BHARATHY NARAYANAN MOHANAN
Date: 2021.04.20 16:41:33 +05'30'

Director, Manager and Legal Representative

ATUL MIDDLE EAST FZ-LLC
DUBAI - UNITED ARAB EMIRATES

Statement of Profit or Loss & Other Comprehensive Income
for the year ended March 31, 2021
(In Arab Emirates Dirhams)

	Notes	For the year ended	
		Mar 31, 2021	Mar 31, 2020
Revenue	10	**783,287**	1,643,636
Cost of sales	11	**(189,978)**	-
Gross profit		**593,309**	1,643,636
Deduct			
General and administrative expenses	12	**(258,195)**	(282,939)
Operating profit		**335,114**	1,360,697
Other income	13	**-**	2,778
Net comprehensive income for the year		**335,114**	1,363,475

The accompanying notes form an integral part of these financial statements.

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The financial statements on pages 4 to 20 were approved by the Management on -------------- and signed on its behalf by:

BHARATHY NARAYANAN MOHANAN Digitally signed by BHARATHY NARAYANAN MOHANAN Date: 2021.04.20 16:43:38 +05'30'

Director, Manager and Legal Representative

ATUL MIDDLE EAST FZ-LLC
DUBAI - UNITED ARAB EMIRATES

Statement of Changes in Shareholder's Equity
for the year ended March 31, 2021
(In Arab Emirates Dirhams)

	Share capital	Statutory reserve	Retained earnings	Shareholder's current account	Total
Balance as on April 1, 2019	300,000	-	(21,926)	-	278,074
Changes in shareholder's equity:					
Net comprehensive income for the year	-	-	1,363,475	-	1,363,475
Transfer to statutory reserve	-	136,348	(136,348)	-	-
Dividend paid	-	-	(1,050,000)	-	(1,050,000)
As on March 31, 2020	300,000	136,348	155,201	-	591,549
Changes in shareholder's equity:					
Net comprehensive income for the year	-	-	335,114	-	335,114
Net movement during the year	-	-	-	(2,620)	(2,620)
Transfer to statutory reserve	-	13,652	(13,652)	-	-
Dividend paid	-	-	-	-	-
As on March 31, 2021	**300,000**	**150,000**	**476,663**	**(2,620)**	**924,043**

The accompanying notes form an integral part of these financial statements.

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BHARATHY NARAYANAN MOHANAN Digitally signed by BHARATHY NARAYANAN MOHANAN Date: 2021.04.20 16:44:33 +05'30'

Director, Manager and Legal Representative

ATUL MIDDLE EAST FZ-LLC
DUBAI - UNITED ARAB EMIRATES

Statement of Cash Flows
for the year ended March 31, 2021
(In Arab Emirates Dirhams)

	Mar 31, 2021	Mar 31, 2020
Cash flow from operating activities		
Net comprehensive income for the year	**335,114**	1,363,475
Operating profit before changes in working capital	**335,114**	1,363,475
(Increase)/Decrease in Working Capital		
Accounts receivable	**(289,536)**	(314,631)
Other receivables	**4,991**	(16,005)
Accounts payable	**-**	(301,871)
Other payables	**128,610**	(13,696)
Net cash from operating activities	**179,179**	717,272
Cash flows from financing activities		
Net movement in shareholder's current account	**(2,620)**	-
Dividend paid	**-**	(1,050,000)
Net cash (used in) financing activities	**(2,620)**	(1,050,000)
Net increase/(decrease) in cash and cash equivalents	**176,559**	(332,728)
Cash and cash equivalents, beginning of the year	**195,641**	528,369
Cash and cash equivalents, end of the year	**372,200**	195,641
Represented by:		
Balance with banks	**372,200**	195,641
	372,200	195,641

The accompanying notes form an integral part of these financial statements.

The Report of the Auditor is set out on pages 3 to 5.

The financial statements on pages 4 to 20 were approved by the Management on -------------- and signed on its behalf by:

BHARATHY
NARAYANAN
MOHANAN

Digitally signed by BHARATHY NARAYANAN MOHANAN
Date: 2021.04.20 16:48:00 +05'30'

Director, Manager and Legal Representative

1 Legal status and business activities

a **M/s. Atul Middle East FZ-LLC** ("the Company") is registered as a Free Zone Limited Liability Company with Department of Dubai Development Authority - U.A.E. with license no. 92839 dated 18 March, 2015.

b The Company is mainly engaged in the business of research and development, storage, import and re-export, support service, marketing and sales promotion of agricultural, forestry and horticulture and speciality supplies.

c The share capital of the Company is AED 300,000 divided in to 300 shares of AED 1,000 each and held by the shareholders as under:

Name	Nationality	No. of shares	Amount	%
M/s Atul limited	India	300	300,000	100%
		300	**300,000**	**100%**

d The registered address of the Company is Dubai Science park, Shared Desk 2-43, Floor 03, Building DSP Complex, Dubai, United Arab Emirates.

e The control and management of the Company are vested with the Director, Manager and Legal Representative, Mr. Bharathy Narayanan Mohanan (Indian National).

2 Applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

2.1 Amendments to IAS and IFRS that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board that are mandatorily effective for an accounting period that begins on or after January 01, 2019.

a) *IFRS 16: Leases New (effective for accounting period beginning on after January 01, 2019)*

i) *Recognition exemption*

A lesse may elect not to apply the requirements in IFRS 16, if;

- short - term leases; and

A short-term lease is defined as a lease that, at the commencement date, has a lease term of 12 months or less [IFRS 16: APPENDIX A].

A lease that contains a purchase option cannot be classified as short term lease [IFRS 16: APPENDIX A].

- leases for which underlying asset is of low value

Management considers the term of the lease is 12 months and the Company doesn't have any control over the leased asset. So for the current period lease expenses is considered as short term and recognised as exempt from IFRS 16.

b) Amendments to IFRS 9 - *Prepayment features with negative compensation*

c) Amendments to IAS 28 - *Long term interests in associated and joint ventures*

d) Annual Improvements to IFRSs 2015-2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)

e) Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

f) Amendments to IAS 19 - *Employee Benefit Plan amendment, curtailment or settlement*

g) IFRIC 23: Uncertainty over income tax treatments

2.2 New and revised IAS and IFRSs in issue but not yet effective and not early adopted

The Company has not adopted the following new and revised IFRSs that have been issued but not yet effective:

a) IFRS 17: Insurance Contracts - Effective for annual periods beginning on or after January 01, 2023.

b) IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Effective date not yet set.

c) Amendments to IFRS 3 Business combination - Effective for annual periods beginning on or after January 01, 2022.

d) Amendments to IAS 1, Classification of Liabilities as current or non current - Effective for annual periods beginning on or after January 01, 2023.

e) Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use - Effective for annual periods beginning on or after January 01, 2022.

f) Amendments to IAS 37 Onerous Contracts – Costs of Fulfilling a Contract - Effective for annual periods beginning on or after January 01, 2023.

g) Amendments to IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities - Effective for annual periods beginning on or after January 01, 2022.

h) Amendments to IFRS 41 Agriculture – Taxation in fair value measurements - Effective for annual periods beginning on or after January 01, 2022.

i) Amendments to References to the Conceptual Framework in IFRS Standards.

In the opinion of the Management, the adoption of these Standards and Interpretations will have no material impact on the financial statements of the Company in the period of initial application.

3 Accounting policies

Basis of preparation:

The financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and applicable requirements of U.A.E. Law.

A Summary of the significant accounting policies which have been applied consistently, are set out below:

a Accounting convention

These financial statements have been prepared under historical cost convention basis.

b Provisions

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

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. Where 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. Provisions are not recognised for future operating losses.

c Provision for staff termination benefits

Amount required to cover end of service indemnity at the end of the reporting period are computed pursuant to the United Arab Emirates Federal Labour Law based on the employees accumulated period of service and basic remuneration at the end of the reporting period.

d Property, plant and equipment

Property and equipment is stated at cost less accumulated depreciation and identified impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items including installation costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the reporting period in which they are incurred.

e **Impairment of assets**

Property, plant and equipment are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of profit or loss & other comprehensive income.

f **Revenue recognition**

Revenue from contract with customers

The Company recognises revenue from contracts with customers in accordance with IFRS 15 and based on a five step model as stated below:

i) Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

ii) Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

iii) Determine the transaction price: 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 a customer, excluding amounts collected on behalf of third parties.

iv) Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

v) Recognise revenue when (or as) the Company satisfies a performance obligation.

g **Foreign currencies**

The financial statements are prepared and the terms included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in AED, which is the Company's functional and presentation currency.

h **Inventories**

Inventories are valued at lower of cost or net realisable value using weighted average cost method. Cost comprises direct material and all overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated cost of completion and cost to disposal.

i **Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash, balances with the bank and deposits with the banks maturing within 3 months from the date of deposit.

j **Financial instruments**

Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

a) Amortised cost

b) Fair value through profit or loss (“FVTPL”)

c) Fair value through other comprehensive income (“FVOCI”).

The classification is determined by both:

a) The Company’s business model for managing the financial asset; and

b) The contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income, finance costs or other financial items, except for impairment of receivables which is presented within other expenses.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than ‘hold to collect’ or ‘hold to collect and sell’ are categorised at fair value through profit and loss. Further, irrespective of business model financial assets where contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

i) They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

ii) The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's trade and other receivables and cash and cash equivalents fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss ("ECL") model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

i) Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and

ii) Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges on financial liabilities are included within finance costs or finance income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

k **Accounts receivable**

Accounts receivables are stated at their nominal value, as reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as and when they arise.

l **Accounts payable**

Accounts payable are stated at their nominal value.

4 Critical accounting judgments and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, which are described in notes to the accounts, management is required to make judgments, 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.

4.1 Critical judgments in applying the Company's accounting policies

In the process of applying the Company's accounting policies, the management is of the opinion that there is no instance of application of judgments which is expected to have a significant effect on the amounts recognised in the financial statements.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that is having a significant risk of causing of material adjustment to carrying amounts of assets and liabilities within the next financial year are discussed below:

Depreciation on property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on estimates for expected usage of the assets and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

Allowance for doubtful debts on trade receivable

Allowance for doubtful debts is determined using a combination of factors, including the overall quality and ageing of trade receivable, continuing evaluation of the customers' financial strength. Management makes allowance for doubtful debts based on its best estimates at the end of the reporting period.

5 Bank balances

	March 31,	
	2021	2020
	AED	AED
Balance with banks	**372,200**	195,641

6 Accounts receivable

	March 31,	
	2021	2020
	AED	AED
Trade receivables	**617,910**	328,374

The above figures includes:

	March 31,	
	2021	2020
	AED	AED
Due from related parties	**411,662**	328,374

a) Credit risk analysis

The Company's credit risk is primarily attributable to its accounts receivables. Adequate provision has been made for balance considered as doubtful recovery.

b) The fair value of account receivable is not materially different from their balances shown in the statement of financial position.

c) Related party disclosures

Trade receivable mainly represents amount receivable from Atul Ltd, India on account of normal business transactions of the Company. The Company enters into transaction with companies and entities that fall within the definition of a related party as contained in International Financial Reporting Standards (IFRS). Related parties comprise of companies and entities under common ownership and/or common management and control their partners and key management personnel.

The Company believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

The following is the related party transactions during the year:

	For the year ended Mar 31,	
	2021	2020
	AED	AED
Sales	**577,039**	1,643,636

7 Other receivables

	March 31,	
	2021	2020
	AED	AED
Deposits	**10,000**	10,000
Prepayments	**59,678**	66,023
VAT refundable	**874**	-
Other receivables	**480**	-
	71,032	76,023

8 Statutory reserve

In accordance with the statutory requirements, 10% of the annual net income is required to be transferred to a statutory reserve until this equals 50% of the share capital. This reserve is not available for dividend distribution.

9 Other payables

	March 31,	
	2021	2020
	AED	AED
Advance received from customers	**128,940**	-
Accruals and provisions	**6,333**	7,183
VAT payables	**-**	1,306
Other payables	**1,826**	-
	137,099	8,489

10 Revenue

	For the year ended Mar 31,	
	2021	2020
	AED	AED
Sale income	**206,248**	-
Commission income	**577,039**	593,636
Income on settlement and recovery services	**-**	1,050,000
	783,287	1,643,636

11 Cost of sales

	For the year ended Mar 31,	
	2021	2020
	AED	AED
Purchases	**148,957**	-
Other direct expense	**41,021**	-
	189,978	-

12 General and administrative expenses

	For the year ended Mar 31,	
	2021	2020
	AED	AED
Salaries and allowances	**157,696**	166,022
Rent	**25,040**	25,063
Legal, municipal and visa	**49,281**	50,955
Bank charges	**2,974**	2,885
Traveling expenses	**1,235**	6,302
Insurance	**6,766**	2,917
Communication expenses	**1,800**	3,908
Advertising & sales promotion	**-**	23,661
Foreign exchange loss	**3,115**	-
Miscellaneous	**10,288**	1,226
	258,195	282,939

13 Other income

	For the year ended Mar 31,	
	2021	2020
	AED	AED
Foreign exchange gain	**-**	917
Interest	**-**	1,861
	-	2,778

14 Financial instruments

Financial instruments of the Company comprise of bank balances, accounts receivables, other assets, accounts payable and other payables.

15 Fair values

At the end of the reporting period, the fair values of the Company's financial assets and liabilities approximate their carrying values.

16 Risk management

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged since previous year.

Credit risk

Financial assets which potentially expose the Company to concentration of credit risk comprise principally bank accounts, accounts receivables and other receivables.

The Company's bank accounts are placed with high quality financial institutions.

Accounts receivables are stated net of allowances for doubtful debts.

Currency risk

The Company is not exposed to significant currency risk as all financial assets and liabilities are denominated in Arab Emirates Dirham or US Dollars to which rate of conversion is pegged.

Interest rate risk

The Company is not exposed to any significant interest rate risk at the end of the reporting date.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and financial liabilities.

17 Contingent liabilities

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability on Company's account as at end of reporting period.

18 Comparative amounts

Certain figures of the previous year were regrouped/reclassified, wherever necessary, to conform to current year's presentation.

The accompanying notes form an integral part of these financial statements.

The financial statements on pages 4 to 20 were approved by the Management on -------------- and signed on its behalf by:

BHARATHY NARAYANAN MOHANAN
Digitally signed by BHARATHY NARAYANAN MOHANAN
Date: 2021.04.20 16:49:11 +05'30'

Director, Manager and Legal Representative