

ADVENTZ TRADING DMCC

Financial Statements

31 March 2019

ADVENTZ TRADING DMCC

Financial Statements
31 March 2019

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ADVENTZ TRADING DMCC**Director's Report**

The Director submits his report together with the audited financials statements for the year ended 31 March 2019.

Results and appropriations

The results of the company and the appropriations made for the year ended 31 March 2019 are set out on pages 5 and 6 of the financial statements.

In my opinion, the financial statements set out on page 4 to 16 are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the company for the year then ended in accordance with applicable implementing rules and regulation issued by Dubai Multi Commodities Centre Authority and International Financial Reporting Standards.

At the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Review of the business

The company acted as representative of overseas manufacturers of the products described in note 1 to facilitate shareholder company requirements of such products.

Directors

The Directors of the company during the period were as under:

Mr. Akshay Poddar
Mr. Naveen Kapoor

Events since the end of the year

There were no important events which have occurred since the year-end that materially affect the company.

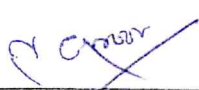
Shareholders and its interest

During the previous period, there was a change in the shareholding of the company. Zuari Speciality Fertilisers Limited got amalgamated with parent shareholder company Zuari Agro Chemicals Limited w.e.f 13 November 2017. The legal formalities with local authorities is expected to be completed within 6 month from end of current financial year. Consequent to above change, the shareholder as at 31 March 2019 and its interest as at that date in the share capital of the company was as under.

| | <i>Country of Incorporation</i> | <i>No. of shares</i> | <i>AED</i> |
|------------------------------|-------------------------------------|----------------------|---------------|
| Zuari Agro Chemicals Limited | India | <u>50</u> | <u>50,000</u> |

Auditors

A resolution to re-appoint the auditors and fix their remuneration will be put to the board at the annual general meeting.



DIRECTOR
(On behalf of Board)



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF ADVENTZ TRADING DMCC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ADVENTZ TRADING DMCC** (the “company”), which comprise the statement of financial position as at 31 March 2019, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **ADVENTZ TRADING DMCC** as at 31 March 2019, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates and in Dubai Multi Commodities Centre 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 audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Implementing Regulations No. (1/03) issued by Dubai Multi Commodities Centre Authority, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditors' Responsibilities 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 auditors' 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 skepticism throughout the audit. We also:

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF ADVENTZ TRADING DMCC

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 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

We further confirm that the financial statements have been properly prepared in accordance with Dubai Multi Commodities Centre (DMCC) Company Regulations No. (1/03), 2003.

Signed by: 
C.D. Shah
Partner
Registration No. 677
Shah & Alshamali Associates DMCC
9 May 2019
Dubai

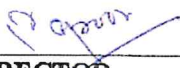


ADVENTZ TRADING DMCC

Statement of Financial Position
31 March 2019

| | Notes | 2019 AED | 2018 AED |
|-------------------------------------|-------|------------------|------------------|
| ASSETS | | | |
| Non-current asset | | | |
| Property, plant and equipment | 5 | <u>1,114,168</u> | <u>1,243,139</u> |
| Current assets | | | |
| Trade receivables | 6 | 1,343,770 | 1,010,473 |
| Other receivables | 7 | 129,175 | 99,711 |
| Prepayments | | 80,654 | 53,314 |
| Cash and cash equivalents | 8 | <u>659,985</u> | <u>757,451</u> |
| | | <u>2,213,584</u> | <u>1,920,949</u> |
| Total assets | | <u>3,327,752</u> | <u>3,164,088</u> |
| EQUITY AND LIABILITIES | | | |
| Shareholder's funds | | | |
| Equity | | | |
| Share capital | 9 | 50,000 | 50,000 |
| Retained earnings | | <u>1,344,779</u> | <u>1,358,712</u> |
| Equity funds | | <u>1,394,779</u> | <u>1,408,712</u> |
| Loan account | 10 | <u>964,987</u> | <u>964,987</u> |
| Total shareholder's funds | | <u>2,359,766</u> | <u>2,373,699</u> |
| Non-current liabilities | | | |
| Staff end of service gratuity | | 87,718 | 29,562 |
| Other payable | 11 | <u>183,750</u> | <u>288,750</u> |
| | | <u>271,468</u> | <u>318,312</u> |
| Current liabilities | | | |
| Creditor-capex | | 33,337 | 8,199 |
| Other payables | 11 | <u>663,181</u> | <u>463,878</u> |
| | | <u>696,518</u> | <u>472,077</u> |
| Total liabilities | | <u>967,986</u> | <u>790,389</u> |
| Total equity and liabilities | | <u>3,327,752</u> | <u>3,164,088</u> |

The notes on pages 8 to 16 form an integral part of these financial statements.


DIRECTOR
 (On behalf of Board)



ADVENTZ TRADING DMCC

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2019

| | <i>Notes</i> | <i>Year ended 31 March 2019 AED</i> | <i>16 months period ended 31 March 2018 AED</i> |
|--|--------------|---|---|
| Revenue | 12 | <u>3,088,084</u> | <u>3,070,346</u> |
| Expenditure | | | |
| Managerial remuneration and expenses | | (1,355,526) | (576,474) |
| Salaries and benefits | | (879,949) | (489,099) |
| Lease expense | | (202,744) | (166,781) |
| Other administrative expenses | | (336,783) | (332,912) |
| Depreciation | | (173,695) | (57,657) |
| Finance cost | 13 | <u>(153,320)</u> | <u>(88,711)</u> |
| Profit/ (loss) for the year/ period | | (13,933) | 1,358,712 |
| Other comprehensive income / (loss) | | - | - |
| Total comprehensive income/ (loss) for the year/ period | | <u>(13,933)</u> | <u>1,358,712</u> |

The notes on pages 8 to 16 form an integral part of these financial statements.

ADVENTZ TRADING DMCC

Statement of Changes in Equity
for the year ended 31 March 2019

| | <i>Share capital AED</i> | <i>Retained earnings AED</i> | <i>Total AED</i> |
|-------------------------------|----------------------------------|--------------------------------------|-------------------------|
| Contributed during the period | 50,000 | - | 50,000 |
| Profit for the period | <u>-</u> | <u>1,358,712</u> | <u>1,358,712</u> |
| As at 31 March 2018 | 50,000 | 1,358,712 | 1,408,712 |
| Loss for the year | <u>-</u> | <u>(13,933)</u> | <u>(13,933)</u> |
| As at 31 March 2019 | <u>50,000</u> | <u>1,344,779</u> | <u>1,394,779</u> |

The notes on pages 8 to 16 form an integral part of these financial statements.

ADVENTZ TRADING DMCC

Statement of Cash Flows
for the year ended 31 March 2019

| | <i>Note</i> | <i>Year ended 31 March 2019 AED</i> | <i>16 months period ended 31 March 2018 AED</i> |
|---|-------------|---|---|
| <u>Cash flows from operating activities</u> | | | |
| Profit/ (loss) for the year/ period | | (13,933) | 1,358,712 |
| Adjustment for: | | | |
| Depreciation | | 173,695 | 57,657 |
| Managerial remuneration and expenses | | 1,355,526 | 576,474 |
| Staff end service gratuity | | 60,589 | 29,562 |
| Finance cost | | 153,320 | 88,711 |
| Operating profit before working capital | | <u>1,729,197</u> | <u>2,111,116</u> |
| (Increase)/decrease in trade and other receivables and prepayment | | (387,326) | (1,113,498) |
| Increase/(decrease) in capital creditors and other payable | | <u>(206,753)</u> | <u>798,930</u> |
| Cash generated from / (used in) operations | | 1,135,118 | 1,796,548 |
| Managerial remuneration and expenses paid | | (1,055,526) | (576,474) |
| Staff end of service gratuity paid | | (2,432) | - |
| Net cash from / (used in) operating activities | | <u>77,160</u> | <u>1,120,074</u> |
| <u>Cash flows from investing activity</u> | | | |
| Payment for purchase property, plant and equipment | | <u>(44,724)</u> | <u>(1,300,796)</u> |
| Net cash from/(used in) investing activity | | <u>(44,724)</u> | <u>(1,300,796)</u> |
| <u>Cash flows from financing activities</u> | | | |
| Share capital contributed | | - | 50,000 |
| Loan from the shareholder | | - | 964,987 |
| Receipt/payment of vehicle loan | | (105,000) | (105,000) |
| Finance cost paid | | <u>(24,902)</u> | <u>(21,814)</u> |
| Net cash from/(used in) financing activities | | <u>(129,902)</u> | <u>888,173</u> |
| Net increase/ (decrease) in cash and cash equivalent | | (97,466) | 707,451 |
| Cash and cash equivalents at the beginning of the year/ period | | <u>707,451</u> | - |
| Cash and cash equivalents at the end of the year/ period | 8 | <u>609,985</u> | <u>707,451</u> |

The notes on pages 8 to 16 form an integral part of these financial statements.

ADVENTZ TRADING DMCC

Notes to the Financial Statements
for the year ended 31 March 2019

1. Legal status and activities

ADVENTZ TRADING DMCC (the "company") is a limited liability company incorporated under Dubai Multi Commodities Centre Authority ("DMCC" Authority) as per the provisions of Law No. 4 of 2001 & order dated 1 May 2002.

The address of the company's registered office is Unit No: 1860, DMCC Business Centre, Level No 1, Jewellery & Gemplex 3, Dubai, United Arab Emirates.

The company is operating under license number DMCC-243093 with trading of seeds, agricultural & veterinary pesticides, chemical fertilizers and basic industrial chemicals trading as its licensed activities.

The ultimate parent company is Zuari Agro Chemicals Limited, India, an entity incorporated under the law of India.

The company has representative office operating under license no 783869 and its address is BB-13 Bay Square, Business Bay, P O Box 127908, Dubai, U.A.E. These financial statements includes assets, liabilities and expenditure/disbursements, pertaining to representative office.

2. Basis of preparation

Statement of compliance

The financial statements have been prepared under accrual basis of accounting and on the basis that the company will be continue as a going concern in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and implementing rules and regulations of Dubai Multi Commodities Centre Authority.

Basis of measurement

The financial statements have been prepared under the historical cost basis.

Functional and presentation currency

The financial statements have been presented in U.A.E. Dirhams (AED), being the company's functional and presentation currency.

Use of estimates and judgments

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenue, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about the several factors and actual results may differ from reported amounts. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in note 4.

ADVENTZ TRADING DMCC

Notes to the Financial Statements
for the year ended 31 March 2019*Application of new and revised International Financial Reporting Standards (IFRS)*

The company adopted the following standards and amendments which are effective for annual periods beginning on or after 1 January 2018:

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations. The new standard establishes a five-step model to account for revenue arising from contracts with customers. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The company has applied IFRS 15 - *Revenue from Contracts with Customer* which is effective 01 January 2018. The company recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15:

- Step 1: Identify the contract(s) with the customer
- Step 2: Identify the performance obligation in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the company satisfies a performance obligation

IFRS 9 - Financial Instruments

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. For financial receivables, IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. For equity instruments, IFRS 9 now requires measurement of all financial assets at fair value and provides an irrevocable option to measure certain securities at FVOCI rather than through profit or loss. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and assets at FVOCI.

The adoption of these new standards has no material impact on the company's financial statements. Further, the company has not early adopted any other standard, interpretation or amendment that has been issued but are not yet effective.

3. Summary of Significant Accounting Policies

The accounting policies dealing with items that are considered material in relation to the financial statements are as follows:

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to write off the cost of items of property, plant and equipment using the written down value method.

ADVENTZ TRADING DMCC

Notes to the Financial Statements
for the year ended 31 March 2019**Summary of Significant Accounting Policies (cont'd)**

The depreciation rates are as follows:

| | |
|------------------------|----------|
| Vehicles | 8 years |
| Leasehold improvements | 10 years |
| Office equipment | 3 years |

The carrying amounts are reviewed at each statement of financial position date to assess whether they are recorded in excess of recoverable amount. Where carrying amount exceeds the recoverable amount, property, plant and equipment are written down to their recoverable amount.

Financial instruments

Financial assets and financial liabilities are recognised when, and only when, the company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are de-recognised when, and only when, they are extinguished, cancelled or expired.

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss on the basis of the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets include financial asset measured at amortized cost comprising trade receivables, VAT receivable, refundable deposits, advances to staff and cash and cash equivalents.

Trade receivable

Trade receivable are stated at original invoice amount less a provision for any uncollectible amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable and provided for in the accounts. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents

Cash and cash equivalents comprise bank balance in current accounts that is readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities

The financial liabilities comprise capital creditor, vehicle loan and other payable.

Account and Other payable

Liabilities are recognized for amounts to be paid in the future for services received, whether invoiced or not by the supplier

ADVENTZ TRADING DMCC

Notes to the Financial Statements
for the year ended 31 March 2019**Summary of Significant Accounting Policies (cont'd)****Value added tax**

Expenses and assets are recognized net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Employee benefits

An accrual is made for estimated liability for employees' entitlement to annual leave and passage money as a result of services rendered by eligible employees up to the end of the reporting period. Provision is also made for the full amount of end of service gratuity in accordance with the company's policy, which is at least equal to the benefits payable in accordance with U.A.E. Labor Law, for their period of service up to the end of the reporting period. The provision relating to end of service gratuity is classified as a non-current liability

Revenue recognition*Commission income*

Revenue generated from services provided are recognized as per the terms of agreement with the clients and upon completion of obligation.

Foreign currency transactions

Transactions in foreign currencies are converted into U.A.E. Dirhams at the rate approximate to the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the date of statement of financial position. Resulting gain or loss is taken to the statement of profit or loss and other comprehensive income.

4. Significant judgment employed in applying accounting policies and key sources of estimation uncertainty

4.1 Significant judgment employed

Impairment of non-financial assets

The company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. If any of such indication exists, the company estimates the asset's recoverable amount. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

ADVENTZ TRADING DMCC

Notes to the Financial Statements
for the year ended 31 March 2019

4.2 Key sources of estimation uncertainty

Key assumptions made 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 as follows:

Impairment of Trade receivable

An estimation of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision is applied according to the length of past time due, based on anticipated recovery rates.

Impairment of other receivables

Management regularly undertakes a review of the amounts of other receivables and assess the likelihood of non-recovery. Such assessment is based upon the age of the debt, historic recovery rates and assessed credit worthiness of the receivable. Based on the assessment assumptions are made as to the level of provisioning required.

Staff end of service gratuity

The company computes provision for the liability to staff end of service gratuity assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

| | | | | | |
|----|--------------------------------------|-----------------------------------|-----------------------------|----------------|------------------|
| 5. | Property, plant and equipment | <i>Leasehold improvements</i> | <i>Office equipment</i> | <i>Vehicle</i> | <i>Total</i> |
| | | <i>AED</i> | <i>AED</i> | <i>AED</i> | <i>AED</i> |
| | Cost | | | | |
| | As at 01.04.2018 | 603,235 | 97,561 | 600,000 | 1,300,796 |
| | Additions during the year | <u>31,749</u> | <u>12,975</u> | - | <u>44,724</u> |
| | As at 31.03.2019 | <u>634,984</u> | <u>110,536</u> | <u>600,000</u> | <u>1,345,520</u> |
| | Depreciation | | | | |
| | As at 01.04.2018 | 15,081 | 8,618 | 33,958 | 57,657 |
| | Charge for the year | <u>63,498</u> | <u>35,197</u> | <u>75,000</u> | <u>173,695</u> |
| | As at 31.03.2019 | <u>78,579</u> | <u>43,815</u> | <u>108,958</u> | <u>231,352</u> |
| | Net book value | | | | |
| | As at 31.03.2019 | <u>556,405</u> | <u>66,721</u> | <u>491,042</u> | <u>1,114,168</u> |
| | As at 31.03.2018 | <u>588,154</u> | <u>88,943</u> | <u>566,042</u> | <u>1,243,139</u> |

6. Trade receivable

This represent amount receivable from an overseas customer on account of agency commission.

ADVENTZ TRADING DMCC

Notes to the Financial Statements
for the year ended 31 March 2019

| | <i>2019</i> | <i>2018</i> |
|---|----------------|----------------|
| | <i>AED</i> | <i>AED</i> |
| 7. Other receivables | | |
| VAT receivable | 22,870 | 14,982 |
| Deposits | 68,805 | 40,179 |
| Advances | <u>37,500</u> | <u>44,550</u> |
| | <u>129,175</u> | <u>99,711</u> |
| 8. Cash and cash equivalents | | |
| Cash on hand | 645 | 219 |
| Bank balances in: | | |
| Current accounts | <u>609,340</u> | <u>707,232</u> |
| | <u>609,985</u> | <u>707,451</u> |
| Guarantee margin | <u>50,000</u> | <u>50,000</u> |
| | <u>659,985</u> | <u>757,451</u> |
| | <i>2019</i> | <i>2018</i> |
| | <i>AED</i> | <i>AED</i> |
| 9. Share capital | | |
| Authorized, issued and paid up: | | |
| 50 shares of AED 1,000 each | <u>50,000</u> | <u>50,000</u> |
| 10. Loan account | | |
| This represents unsecured and 13.25% interest bearing loan provided by the shareholder of the company which is repayable on or before 31 July 2020. | | |
| | <i>2019</i> | <i>2018</i> |
| | <i>AED</i> | <i>AED</i> |
| 11. Other payables | | |
| Interest on shareholder loan | 195,316 | 66,897 |
| Due to a director | 300,000 | 200,000 |
| Other payable (<i>refer below</i>) | 105,000 | 105,000 |
| Accruals* | <u>62,865</u> | <u>91,981</u> |
| | <u>663,181</u> | <u>463,878</u> |
| Other payable | | |
| Total amount outstanding | 288,750 | 393,750 |
| Due after next 12 months | <u>183,750</u> | <u>288,750</u> |
| Due within next 12 months (<i>refer above</i>) | <u>105,000</u> | <u>105,000</u> |

ADVENTZ TRADING DMCC

Notes to the Financial Statements
for the year ended 31 March 2019

| | <i>Year ended 31 March 2019 AED</i> | <i>16 months period ended 31 March 2018 AED</i> |
|--|---|---|
| 12. Revenue | | |
| Agency commission income | 3,062,682 | 3,070,346 |
| Credit balance written back | <u>25,402</u> | <u>-</u> |
| | <u>3,088,084</u> | <u>3,070,346</u> |
| 13. Finance cost | | |
| Interest on shareholder loan | 128,419 | 66,897 |
| Other finance charges | <u>24,901</u> | <u>21,814</u> |
| | <u>153,320</u> | <u>88,711</u> |
| 14. Related party transactions and balances | | |

The company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. Related parties comprise entities under common management and control and key management personnel as under:

Shareholder
Zuari Agro Chemical Limited, India

Key Managerial personnel
Akshay Poddar

The nature of significant related party transactions during the year/period and the amounts involved are as under:

| | | <i>Shareholder</i> | <i>Key managerial personnel</i> | <i>Total</i> |
|--------------------------------------|------------|--------------------|---|----------------|
| | | <i>AED</i> | <i>AED</i> | <i>AED</i> |
| | | <i>Dr/(Cr)</i> | <i>Dr/(Cr)</i> | <i>Dr/(Cr)</i> |
| Transactions: | | | | |
| Managerial remuneration and expenses | 31.03.2019 | - | 1,355,526 | 1,355,526 |
| | 31.03.2018 | | 576,474 | 576,474 |
| Interest on loan | 31.03.2019 | 128,419 | - | 128,419 |
| | 31.03.2018 | 66,897 | - | 66,897 |
| Professional and legal expenses | 31.03.2019 | - | - | - |
| | 31.03.2018 | 25,402 | - | 25,402 |
| Credit balance written back | 31.03.2019 | (25,402) | - | (25,402) |
| | 31.03.2018 | - | - | - |

All the transactions with the related parties were entered into on terms as agreed by the management. The year/period-end related parties balances are as follows.

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Notes to the Financial Statements
for the year ended 31 March 2019

Related party transactions and balances (cont'd)

| | | <i>Shareholder</i> | <i>Key managerial personnel</i> | <i>Total</i> |
|-------------------------|------------|--------------------|---|----------------|
| | | <i>AED</i> | <i>AED</i> | <i>AED</i> |
| | | <i>Dr/(Cr)</i> | <i>Dr/(Cr)</i> | <i>Dr/(Cr)</i> |
| <u>Balances:</u> | | | | |
| Loan account | 31.03.2019 | (964,987) | - | (964,987) |
| | 31.03.2018 | (964,987) | - | (964,987) |
| Interest payable | 31.03.2019 | (195,316) | - | (195,316) |
| | 31.03.2018 | (66,897) | - | (66,897) |
| Accruals | 31.03.2019 | - | (300,000) | (300,000) |
| | 31.03.2018 | (25,402) | (200,000) | (225,402) |

15. Financial instruments: Credit, liquidity and market risk exposures

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially expose the company to concentrations of credit risk comprise principally of trade receivables and bank balance. The company's bank balance in current accounts and guarantee margin is placed with high credit quality financial institutions. There are no significant concentrations of credit risk from receivables within or outside the industry in which the company operates.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the management who ensure that sufficient funds are made available to the company to meet any future commitments.

Market risk

Market risk is the risk that changes in market prices, such as interest rate risk and currency risk, will affect the company's income or the value of its holdings of financial instrument

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The loan from shareholder is at a fixed rate of interest.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Except for the following, there are no significant currency risks as substantially all financial assets and financial liabilities are denominated in U.A.E Dirham or US Dollars to which the U.A.E Dirham rate is fixed.

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Notes to the Financial Statements
for the year ended 31 March 2019

Financial instruments: Credit, liquidity and market risk exposures (cont'd)

Market risk (cont'd)

Currency risk (cont'd)

| | <i>2019</i> <i>Equivalent</i> <i>AED</i> | <i>2018</i> <i>Equivalent</i> <i>AED</i> |
|---|--|--|
| Foreign currency financial liabilities | | |
| Loan from shareholder company | | |
| INR | 964,987 | 964,987 |
| Interest due to shareholder company | | |
| INR | 195,616 | 66,897 |
| Due to shareholder company | | |
| INR | - | 25,402 |

16. Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern while maximizing the return to the shareholder through optimization of equity balance. The capital structure of the company consists of share capital and retained earnings.

17. Financial instruments: Fair values

The fair values of the company's financial assets, comprising refundable deposits, VAT receivable, trade and other receivables, cash and bank balance, and financial liabilities comprises of capital creditor, vehicle loan and other payable are approximate to their carrying values.

18. Contingent liabilities and capital commitments

There were no contingent liabilities and capital commitments of a significant amount outstanding at the date of statement of financial position.

19. Comparative figure

Previous period's figures have been regrouped/reclassified wherever necessary to conform to the presentation adopted in the current year.

Previous period's figures are for 16 months and hence not comparable with those of current year.

20. Approval of the financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 9 May 2019.