

ADVENTZ TRADING DMCC

Financial Statements

31 March 2021

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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 2021.

Results and appropriations

The results of the company and the appropriations made for the year ended 31 March 2021 are set out on pages 5 and 6 of the financial statements.

In my opinion, the financial statements set out on page 4 to 19 are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the company for the year then ended in accordance with International Financial Reporting Standards and applicable implementing rules and regulation issued by Dubai Multi Commodities Centre Authority.

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 has acted as representative of an overseas manufacturer of the products described in note 1 to facilitate shareholder company requirements of such products.

Directors

The Directors of the company during the year 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.

Shareholder and its interest

The shareholder as at 31 March 2021 and its interest as at that date in the share capital of the company was as follows.

	<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>

Auditor

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

Mr. Akshay Poddar
DIRECTOR
(On behalf of Board)



INDEPENDENT AUDITOR'S 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 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **ADVENTZ TRADING DMCC** 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 (ISA). 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 interim financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code.

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 Company Regulations 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.

Auditor's 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ADVENTZ TRADING DMCC

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout 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 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 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 Authority Company Regulations.

Signed by: 
C.D. Shah
Partner
Registration No. 677
Shah & Alshamali Associates DMCC
10 May 2021
Dubai, United Arab Emirates

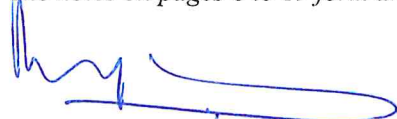


ADVENTZ TRADING DMCC

Statement of Financial Position
as at 31 March 2021

	<i>Notes</i>	<i>2021</i> <i>AED</i>	<i>2020</i> <i>AED</i>
ASSETS			
Non- current assets			
Property, plant and equipment	5	347,974	947,532
Right-of-use asset	6	-	66,333
		<u>347,974</u>	<u>1,013,865</u>
Current assets			
Trade receivable	7	1,393,165	314,703
Due from a related party - <i>funding</i>	8	-	314,531
Other receivables	9	96,585	143,052
Prepayments		64,895	98,633
Cash and cash equivalents	10	108,339	112,264
		<u>1,662,984</u>	<u>983,183</u>
Total assets		<u>2,010,958</u>	<u>1,997,048</u>
EQUITY AND LIABILITIES			
Equity			
Shareholder's funds			
Share capital	11	50,000	50,000
Accumulated losses		(2,983,783)	(1,211,513)
Equity deficit		<u>(2,933,783)</u>	<u>(1,161,513)</u>
Shareholder's loan account	12	1,416,039	1,288,165
Total equity and shareholder's (deficit)/funds		<u>(1,517,744)</u>	<u>126,652</u>
Liabilities			
Non-current liabilities			
Lease liability	13	-	39,776
Staff end of service gratuity		239,454	163,965
Secured loan	14	-	78,750
		<u>239,454</u>	<u>282,491</u>
Current liabilities			
Due to a related party - <i>funding</i>	15	425,000	-
Lease liability	13	-	27,105
Secured loan	14	78,750	105,000
Accruals		54,498	56,800
Due to a director	18	2,731,000	1,399,000
		<u>3,289,248</u>	<u>1,587,905</u>
Total liabilities		<u>3,528,702</u>	<u>1,870,396</u>
Total equity and liabilities		<u>2,010,958</u>	<u>1,997,048</u>

The notes on pages 8 to 19 form an integral part of these financial statements.



Mr. Akshay Poddar
DIRECTOR
(On behalf of Board)



ADVENTZ TRADING DMCC

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2021

	<i>Notes</i>	<i>2021</i> <i>AED</i>	<i>2020</i> <i>AED</i>
Sale		-	241,560
Cost of sale		-	<u>(225,090)</u>
Gross profit		-	16,470
Other income	16	1,713,050	666,978
Expenditure			
Director's remuneration and expenses		(1,473,218)	(1,543,533)
Staff salaries and benefits		(922,013)	(979,190)
Lease and license expenses		(215,245)	(206,387)
Other administrative expenses		(113,557)	(173,551)
Loss on disposal of property, plant and equipment		(434,699)	-
Depreciation		(164,859)	(177,126)
Depreciation on right-of-use asset		(19,260)	(10,700)
Finance costs	17	<u>(142,469)</u>	<u>(149,253)</u>
Total expenditure		<u>(3,485,320)</u>	<u>(3,239,740)</u>
Loss for the year		(1,772,270)	(2,556,292)
Other comprehensive income / (loss)		-	-
Total comprehensive loss for the year		<u>(1,772,270)</u>	<u>(2,556,292)</u>

The notes on pages 8 to 19 form an integral part of these financial statements.

ADVENTZ TRADING DMCC

Statement of Changes in Equity
for the year ended 31 March 2021

	<i>Share capital AED</i>	<i>(Accumulated losses)/ retained earnings AED</i>	<i>Total AED</i>
As at 31 March 2019	50,000	1,344,779	1,394,779
Loss for the year	-	<u>(2,556,292)</u>	<u>(2,556,292)</u>
As at 31 March 2020	50,000	(1,211,513)	(1,161,513)
Loss for the year	-	<u>(1,772,270)</u>	<u>(1,772,270)</u>
As at 31 March 2021	<u>50,000</u>	<u>(2,983,783)</u>	<u>(2,933,783)</u>

The notes on pages 8 to 19 form an integral part of these financial statements.

ADVENTZ TRADING DMCC

Statement of Cash Flows
for the year ended 31 March 2021

	<i>Note</i>	2021 AED	2020 AED
<u>Cash flows from operating activities</u>			
Loss for the year		(1,772,270)	(2,556,292)
Adjustment for:			
Depreciation		164,859	177,126
Depreciation on Right-of-use asset		19,260	10,700
Director remuneration and expenses		1,473,218	1,543,533
Loss on sale of property, plant and equipment		434,699	-
Provision for staff end service gratuity		33,492	32,253
Finance costs		<u>142,469</u>	<u>149,253</u>
Operating profit/(loss) before working capital changes		495,727	(643,427)
(Increase)/decrease in trade and other receivables and prepayments		(998,257)	997,211
Increase/(decrease) in accruals and other payable		<u>1,059</u>	<u>(293,666)</u>
Cash generated from / (used in) operations		(501,471)	60,118
Director remuneration and expenses paid		(99,218)	(144,533)
Staff end of service gratuity paid		-	(1,742)
Net cash from / (used in) operating activities		<u>(600,689)</u>	<u>(86,157)</u>
<u>Cash flow from investing activity</u>			
Payment for purchase property, plant and equipment		-	<u>(10,490)</u>
Net cash from/(used in) investing activity		<u>-</u>	<u>(10,490)</u>
<u>Cash flows from financing activities</u>			
Payment of secured loan		(105,000)	(105,000)
Lease liability payments		(23,161)	(11,325)
Funds advanced to / (received from) related parties (net)		739,531	(314,531)
Finance costs paid		<u>(14,606)</u>	<u>(20,218)</u>
Net cash from/(used in) financing activities		<u>596,764</u>	<u>(451,074)</u>
Net increase/ (decrease) in cash and cash equivalent		(3,925)	(547,721)
Cash and cash equivalents at the beginning of the year		<u>62,264</u>	<u>609,985</u>
Cash and cash equivalents at the end of the year	10	<u><u>58,339</u></u>	<u><u>62,264</u></u>

The notes on pages 8 to 19 form an integral part of these financial statements.

ADVENTZ TRADING DMCC**Notes to the Financial Statements
for the year ended 31 March 2021****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 ultimate parent company is Zuari Agro Chemicals Limited, India, an entity incorporated under the law of India.

The company’s registered office address is Unit No: 1860, DMCC Business Centre, Level No 1, Jewellery & Gemplex 3, Dubai, United Arab Emirates. The company has representative office operating under license no 783869 and its address is P O Box 127908, Dubai, U.A.E. These financial statements includes assets, liabilities and expenditure/disbursements, pertaining to representative office. At the end of the year the management of the company intends to vacate/liquidate the representative office.

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.

2. Basis of preparation*Going concern*

During the year ended 31 March 2021, the company has incurred loss of AED 1,772,270 (*previous year AED 2,556,292*) and has accumulated losses of AED 2,983,783 resulting in equity deficit of AED 2,933,783 as of the above date. Further, company has net current liabilities of AED 1,626,264 mainly due to payable to a director. The parent shareholder company has resolved to provide the necessary financial support to the company to meet with the funding requirements and discharge liabilities as they fall due and take necessary steps to achieve profitable results and positive cash flows for the ensuing years. The director of the company has also agreed to extend the financial support to the company by not demanding payment of his outstanding dues till such time as the company’s equity is restored. Accordingly, the accompanying financial statements have been prepared on the basis that the company will continue as a going concern.

Statement of compliance

The financial statements have been prepared under accrual basis of accounting in accordance with International Financial Reporting Standards (IFRSs) 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 on the historical cost basis.

Functional and presentation currency

The financial statements are 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.

ADVENTZ TRADING DMCC

Notes to the Financial Statements for the year ended 31 March 2021

Basis of preparation (cont'd)

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.

Impact of COVID-19

Since early January 2020, the COVID-19 outbreak has spread across the globe and is causing ongoing disruption to business and economic activity, resulting in substantial government and central bank relief actions and support measures in many countries to protect the economy. There has not been any material impact on the company's business performance as of 31 March 2021, however the company will continue to monitor the situation as it evolves in order to assess any potential financial impact.

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

New and revised IFRSs applied on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 April 2020, have been adopted in these financial statements. The application of these revised IFRSs, except where stated, have not had any material impact on the amounts reported for the current and prior years.

- *Amendments to IFRS 3* - This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.
- *Amendments to IAS 1 and IAS 8* – These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies changes in accounting estimates and errors and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information.
- *Amendments to IFRS 9, IAS 39 and IFRS 7* - Interest rate benchmark reform - These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR based contracts, the reliefs will affect companies in all industries.
- *Amendments to Conceptual framework* – The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:
 - increasing the prominence of stewardship in the objective of financial reporting
 - reinstating prudence as a component of neutrality
 - defining a reporting entity, which may be a legal entity, or a portion of an entity
 - revising the definitions of an asset and a liability
 - removing the probability threshold for recognition and adding guidance on derecognition
 - adding guidance on different measurement basis, and

ADVENTZ TRADING DMCC

Notes to the Financial Statements
for the year ended 31 March 2021

Application of new and revised International Financial Reporting Standards (IFRSs) (cont'd)

- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

- *Amendments to IFRS 16, 'Leases' – Covid-19 related rent concessions* – As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

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

Amendments to IAS 1, Presentation of financial statements' on classification of liabilities (Effective date 1 January 2022) – These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the company or events after the reporting period (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

The above stated new standards and amendments are not expected to have any significant impact on financial statements of the company.

3. Summary of significant accounting policies

The accounting policies, which are consistent with those used in the previous year, except for new standards effective on 1 April 2020, in 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.

The depreciation rates are as follows:

Leasehold improvements	10 years
Vehicles	8 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.

ADVENTZ TRADING DMCC**Notes to the Financial Statements
for the year ended 31 March 2021****Summary of Significant Accounting Policies (cont'd)****Right-of-use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

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, 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 cash on hand and bank balances in current accounts that are 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 secured loan, due to a director, due to a related party and accruals.

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 2021***Summary of Significant Accounting Policies (cont'd)***Lease liabilities*

At the commencement date of the lease, the company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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 Federal 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 Federal 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*Sale of goods*

Revenue from sale of goods is recognized at the point in time when control of the goods are transferred to the customer, generally when the goods are delivered, have been accepted by customers and collectability of the related receivable is reasonably assured. Revenue is measured at the fair value of the consideration received or receivable net of VAT.

Commission income

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

ADVENTZ TRADING DMCC**Notes to the Financial Statements
for the year ended 31 March 2021****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 judgments 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.

Determination of lease term of contracts with renewal options

The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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:

Useful lives of property, plant and equipment

The management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The management periodically reviews estimated useful lives and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Impairment of trade receivable

The loss allowance for financial assets are based on assumptions about risk of default and expected credit loss rates. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting year. Any difference between the amounts actually collected in the future period and the amounts expected, will be recognized in the company's statement of profit or loss in that year.

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.

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Notes to the Financial Statements
for the year ended 31 March 2021

Key sources of estimation uncertainty (cont'd)

Valuation of lease liabilities and right-of-use assets

The application of IFRS 16 requires the company to make judgments that affect the valuation of the lease liabilities and the valuation of right-of-use assets. These include determining contracts in scope of IFRS 16, determining the contract term and determining the interest rate used for discounting of future cash flows. The lease term determined by the company include non-cancellable period of lease contracts, periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. The present value of the lease payment is determined using the discount rate representing the rate of interest rate applicable for currency of the lease contract and for similar tenor.

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 AED</i>	<i>Office equipment AED</i>	<i>Vehicle AED</i>	<i>Total AED</i>
Cost				
As at 01.04.2020	634,984	121,026	600,000	1,356,010
Disposal during the year	<u>(634,984)</u>	<u>-</u>	<u>-</u>	<u>(634,984)</u>
As at 31.03.2021	<u>-</u>	<u>121,026</u>	<u>600,000</u>	<u>721,026</u>
Accumulated depreciation				
As at 01.04.2020	142,083	82,437	183,958	408,478
Charge for the year	58,202	31,657	75,000	164,859
Related to disposal	<u>(200,285)</u>	<u>-</u>	<u>-</u>	<u>(200,285)</u>
As at 31.03.2021	<u>-</u>	<u>114,094</u>	<u>258,958</u>	<u>373,052</u>
Net book value				
As at 31.03.2021	<u>-</u>	<u>6,932</u>	<u>341,042</u>	<u>347,974</u>
As at 31.03.2020	<u>492,901</u>	<u>38,589</u>	<u>416,042</u>	<u>947,532</u>
6. Right-of-use asset			<i>Vehicle lease AED</i>	
As at 01.04.2020			77,033	
Disposal during the year			<u>(47,073)</u>	
As at 31.03.2021			<u>29,960</u>	
Accumulated depreciation				
As at 01.04.2020			10,700	
Charge for the year			<u>19,260</u>	
As at 31.03.2021			<u>29,960</u>	
Unexpired portion of lease				
As at 31.03.2021			<u>-</u>	
As at 31.03.2020			<u>66,333</u>	

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Notes to the Financial Statements
for the year ended 31 March 2021

7. Trade receivable

This represent's amount receivable from an overseas customer on account of agency commission. The company average credit period is 0 -180 days after which trade receivable are considered to be past due.

Although trade receivable of AED 160,490 are long past due, they are considered good and recoverable by the management.

As at 31 March 2021, the aging of trade receivable is as follows:

	<i>Total</i> <i>AED</i>	<i><30</i> <i>Days</i> <i>AED</i>	<i>30-60</i> <i>Days</i> <i>AED</i>	<i>61-90</i> <i>Days</i> <i>AED</i>	<i>91-120</i> <i>Days</i> <i>AED</i>	<i>121-180</i> <i>Days</i> <i>AED</i>	<i>181-365</i> <i>Days</i> <i>AED</i>
2021	1,393,165	-	467,876	160,672	321,344	282,783	160,490

8. Due from a related party - funding

This represents unsecured and non-interest-bearing funds advanced to Zuari Infracore SJM Properties LLC which was repaid in full during the year.

	<i>2021</i> <i>AED</i>	<i>2020</i> <i>AED</i>
9. Other receivables		
VAT receivable	59,437	46,491
Deposits	34,648	51,024
Advances	<u>2,500</u>	<u>45,537</u>
	<u>96,585</u>	<u>143,052</u>
10. Cash and cash equivalents		
Cash on hand	1,043	3,079
Bank balances in:		
Current accounts	<u>57,296</u>	<u>59,185</u>
	<u>58,339</u>	<u>62,264</u>
Guarantee margin	<u>50,000</u>	<u>50,000</u>
	<u>108,339</u>	<u>112,264</u>
11. Share capital		
Authorized, issued and paid up:		
50 shares of AED 1,000 each	<u>50,000</u>	<u>50,000</u>
12. Shareholder's loan account		

This represents unsecured and 13.25% interest bearing loan provided by the shareholder of the company which is repayable not later than six years from drawdown.

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Notes to the Financial Statements
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	<i>2021</i>	<i>2020</i>
	<i>AED</i>	<i>AED</i>
13. Lease liability		
Discounted using incremental borrowing rate	66,881	77,033
Add: interest for the year	1,625	1,173
Less: payment during the year	(23,161)	(11,325)
Less: Termination of lease contract	(45,345)	-
Lease liability recognized as at 31 March 2021	<u>-</u>	<u>66,881</u>
Comprises of:		
Less than 1 year	-	27,105
More than 1 year but less than 3 year	<u>-</u>	<u>39,776</u>
	<u>-</u>	<u>66,881</u>
14. Secured loan #		
Secured loan (<i>refer below</i>)	<u>78,750</u>	<u>105,000</u>
Total amount outstanding	78,750	183,750
Due after next 12 months	<u>-</u>	<u>78,750</u>
Due within next 12 months (<i>refer above</i>)	<u>78,750</u>	<u>105,000</u>
<i># Loan is secured against mortgaged vehicle.</i>		
15. Due to a related party - funding		
This represents unsecured and non-interest-bearing funds advanced by Globalware Tradings & Holdings Ltd wholly owned by one of the directors of the company. The balance is payable on demand.		
	<i>2021</i>	<i>2020</i>
	<i>AED</i>	<i>AED</i>
16. Other income		
Agency commission	<u>1,713,050</u>	<u>666,978</u>
17. Finance costs		
Interest on shareholder's loan	127,863	127,862
Interest on lease	1,625	1,173
Other finance charges	<u>12,981</u>	<u>20,218</u>
	<u>142,469</u>	<u>149,253</u>
18. Related party transactions and balances		

The company enters into transactions with parties that fall within the definition of a related party as contained in International Accounting Standard-24: Related Party Disclosures. The related parties with whom the company had significant transactions during the year and have year-end balances are as under:

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Notes to the Financial Statements
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Related party transactions and balances (cont'd)

Shareholder

Zuari Agro Chemical Limited, India

Enterprises under significant influence of key managerial personnel

Zuari Infracoreworld SJM Properties LLC, U.A.E.

Globalware Tradings & Holdings Ltd , U.A.E.

(Wholly owned by Mr. Akshay Poddar)

Key Managerial personnel

Akshay Poddar, Director

Vinay Varma, Manager

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

		<i>Shareholder</i> <i>AED</i> <i>Dr/(Cr)</i>	<i>Key managerial personnel</i> <i>AED</i> <i>Dr/(Cr)</i>	<i>Total</i> <i>AED</i> <i>Dr/(Cr)</i>
Transactions:				
Director remuneration and expenses	31.03.2021	-	1,473,218	1,473,218
	31.03.2020	-	1,543,533	1,543,533
Interest on loan	31.03.2021	127,863	-	127,863
	31.03.2020	127,862	-	127,862
Sale	31.03.2021	-	-	-
	31.03.2020	(241,560)	-	(241,560)

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

		<i>Shareholder</i> <i>AED</i> <i>Dr/(Cr)</i>	<i>Enterprise under significant influence</i> <i>AED</i> <i>Dr/(Cr)</i>	<i>Key managerial personnel</i> <i>AED</i> <i>Dr/(Cr)</i>	<i>Total</i> <i>AED</i> <i>Dr/(Cr)</i>
Balances:					
Loan account	31.03.2021	(1,416,039)	-	-	(1,416,039)
	31.03.2020	(1,288,165)	-	-	(1,288,165)
Due to a director	31.03.2021	-	-	(2,731,000)	(2,731,000)
	31.03.2020	-	-	(1,399,000)	(1,399,000)
Staff end of service gratuity	31.03.2021	-	-	(133,000)	(133,000)
	31.03.2020	-	-	(91,000)	(91,000)
Due from a related party - funding	31.03.2021	-	-	-	-
	31.03.2020	-	314,531	-	314,531
Due to a related party - funding	31.03.2021	-	(425,000)	-	(425,000)
	31.03.2020	-	-	-	-

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Notes to the Financial Statements
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19. 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 receivable 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. Shareholder's and secured loan are 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.

	<i>2021</i> <i>Equivalent</i> <i>AED</i>	<i>2020</i> <i>Equivalent</i> <i>AED</i>
Foreign currency financial liability		
Loan from shareholder company		
INR	1,416,039	1,288,165

20. 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, loan account and accumulated losses.

21. Financial instruments: Fair values

The fair values of the company's financial assets, comprising trade and other receivables, cash and bank balance, and financial liabilities comprising of secured loan, due to a related party and director and accruals are approximate to their carrying values.

ADVENTZ TRADING DMCC

Notes to the Financial Statements
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22. 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.

23. Comparative figure

Previous year's figures have been regrouped/reclassified wherever necessary to conform to the presentation adopted in the current year. Such reclassifications do not affect the previously reported loss, net assets or equity of the company.

24. Approval of the financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 10 May 2021.