KRBL DMCC Group
Dubai - United Arab Emirates

Annual Report & Financial Statements

For the year ended March 31, 2020

Private & Confidential

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Dubai - United Arab Emirates
Annual Report & Financial Statements for the year ended March 31, 2020
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KRBL DMCC Group
Dubai - United Arab Emirates

The Entity

Principal office address :	Unit No AG-06-K AG Tower Plot No: JLT PH1-I1A Jumeirah Lake Towers Dubai – U.A.E.		
The Shareholders	Name	Equity Shareholding	Nationality
	M/S KRBL Limited	100%	Indian Co.
The Manager	: Name		Nationality
	Mr. Anoop Kumar Gupta		Indian
The Auditor	: M Al Ali Auditing P O Box . 171492 Dubai, United Arab Emirates		
The Main Banks	: Bank of Baroda First Abu Dhabi Bank		

KRBL DMCC Group
Dubai - United Arab Emirates
Directors Report

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

Principal activities of the Entity :

The principal activities of the entity consist of Grains Cereals & Legumes Trading and Foodstuff & Beverages Trading and company also provide other services.

Financial review:

The table below summarized results of 2020 and 2019	**2020**	2019
	AED	AED
Revenue	**196,030**	483,863
Direct cost	**(285,786)**	(341,315)
Gross profit/(loss)	**(89,756)**	142,548
Gross profit/(loss) margin	**-45.79%**	29.46%
Other Income	**2,047,895**	1,910,156
Other operating expenses	**(2,592,640)**	(2,196,837)
Net (loss) for the year	**(634,501)**	(144,133)

Role of the Directors:

The Directors are the Entity's principal decision-making forum. Directors have the overall responsibility for leading and supervising the Entity and is accountable to shareholders for delivering sustainable shareholder value through their guidance and supervision of the Entity's business. The Directors sets the strategies and policies of the Entity. They monitor performance of the Entity's business, guides and supervises its management.

Risk management and internal control systems:

The Entity is committed to the ongoing process of identifying risk factors, analysing the risks, and deciding upon measures of risk handling and risk control, with a view to achieving sustainability of business operations, employment and surpluses. The Entity's risk management framework identifies, assesses, manages and reports risks on a consistent and reliable basis. The Directors consider primary risk areas to be: credit risk, interest rate risk, foreign exchange and liquidity risk.

The Directors recognised their responsibilities to ensure the existence of the system of internal control and for reviewing its continued effectiveness. In view of the above, the management has in place a management information system that facilitates financial and other information being yearly reported on a transparent basis to the management and that in turn helps in initiating action to mitigate risks to the extent feasible.

Going concern:

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements the management has made an assessment of the Entity's ability to continue as a going concern. The management has not come across any evidence that causes the management to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Entity's ability to continue as a going concern.

Events after year end:

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

Independent Auditors:

M/s. M AL ALI AUDITING, United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

Statement of Directors responsibilities:

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

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

Acknowledgements

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

Director
KRBL DMCC Group
Dated: June 03, 2020

Director
KRBL DMCC Group

Independent Auditor's Report

To
The Shareholder's
KRBL DMCC Group
Dubai Multi Commodities Centre
Dubai - United Arab Emirates

Opinion

We have audited the accompanying financial statements of the **KRBL DMCC Group** which comprise the statement of financial position as at March 31, 2020 and the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements including a significant accounting policies for the year ended March 31, 2020.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at **March 31, 2020**, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 Statement section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of **KRBL DMCC Group** in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Responsibilities of the management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal controls 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 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.

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M AL ALI AUDITING

Independent Auditor's Report (Continued)

Auditors' responsibilities for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of Audit in accordance with the ISA's, we exercise professional judgement and maintain professional skeptics throughout the audit. We also:

1. 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.

2. 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 Entity's internal control.

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

4. 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 Entity'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 consolidated 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 Entity to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents 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.

M AL ALI AUDITING

Independent Auditor's Report (Continued)

Report on other legal and regulatory requirements

As required by the provisions of the DMCC Entity Regulation No. 1/3 issued in 2003, we further confirm that,

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

2. We are not aware of any contraventions during the year of the above mentioned law or the Entity's Articles of Association; which may have material effect on the financial position of the Entity or the result of its operations for the year.

For M AL ALI AUDITING

Reg No. 645
Dubai, United Arab Emirates
Dated: June 03, 2020

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KRBL DMCC Group
Dubai - United Arab Emirates
Statement of financial position as at March 31, 2020
(In Arab Emirates Dirham)

	Notes	2020	2019
Assets			
Non-current assets			
Property, plant and equipment	5	**133,589**	166,972
Investment property	6	**4,407,569**	4,407,569
Intangible assets	7	**92,668**	92,668
Total non current assets		**4,633,826**	4,667,209
Current assets			
Due from related parties	8	**659,739**	203,041
Inventories	9	-	285,786
Trade receivables	10	-	405
Advances, deposits and other receivables	11	**139,164**	506,839
Cash and bank balances	12	**475,616**	576,275
Total current assets		**1,274,519**	1,572,346
Total assets		**5,908,345**	6,239,555
Equity and liabilities			
Equity			
Share capital	13	**1,800,000**	1,800,000
Reserve & Surplus	14&15	**3,685,307**	4,273,446
Total equity		**5,485,307**	6,073,446
Current liabilities			
Trade and other payable	16	**423,038**	166,109
Total current liabilities		**423,038**	166,109
Total liabilities		**423,038**	166,109
Total shareholders' equity and liabilities		**5,908,345**	6,239,555

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

for and on behalf of the Board of Directors:

Director
KRBL DMCC Group
Dated: June 03, 2020

Director
KRBL DMCC Group

M AL ALI AUDITING

KRBL DMCC Group
Dubai - United Arab Emirates
Statement of comprehensive income for the year ended March 31, 2020
(In Arab Emirates Dirham)

	Notes	2020	2019
Revenue	17	**196,030**	483,863
Direct cost	18	**(285,786)**	(341,315)
Gross profit		**(89,756)**	142,548
Other income	19	**2,047,895**	1,910,156
Selling and distribution expenses	20	**(230,160)**	(79,170)
Administrative & general expenses	21	**(2,362,480)**	(2,117,667)
(Loss) for the year		**(634,501)**	(144,133)
Other comprehensive income		-	-
Total comprehensive (loss) for the year		(634,501)	(144,133)

The accompanying notes form an integral part of these financial statements.
for and on behalf of the Board of Directors:

Director
KRBL DMCC Group
Dated: June 03, 2020

Director
KRBL DMCC Group

M AL ALI AUDITING

KRBL DMCC Group
Dubai - United Arab Emirates
Statement of changes in shareholders' equity for the year ended March 31, 2020
(In Arab Emirates Dirham)

	Share capital	Reserve & Surplus			Total equity
		Foreign currency translation reserve	Retained earnings	Total Reserve & Surplus	
Opening balance	1,800,000	(163,419)	4,580,894	4,417,475	6,217,475
Comprehensive (loss) for the year	-	-	(144,133)	(144,133)	(144,133)
Foreign currency translation reserve	-	104	-	104	104
As at March 31, 2019	1,800,000	(163,315)	4,436,761	4,273,446	6,073,446
Comprehensive (loss) for the year	-	-	(634,501)	(634,501)	(634,501)
Foreign currency translation reserve	-	46,362	-	46,362	46,362
As at March 31, 2020	**1,800,000**	**(116,953)**	**3,802,260**	**3,685,307**	**5,485,307**

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

KRBL DMCC Group
Dubai - United Arab Emirates
Statement of cash flows for the year ended March 31, 2020
(In Arab Emirates Dirham)

	2020	2019
Cash flows from operating activities		
Net (loss) for the year	**(634,501)**	(144,133)
Adjustments for:		
Depreciation on property, plant and equipment	**33,497**	41,743
Effect of exchange rate difference on operating cash flows	**46,362**	104
Funds (used in) operations	**(554,642)**	(102,286)
Change in working capital		
Inventories	**285,786**	341,315
Advances, deposits and other receivables	**367,675**	(113,960)
Due from related parties	**(456,698)**	(82,575)
Trade and other payable	**256,929**	135,368
Due to related parties	**-**	(12,845)
Cash inflow from working capital	**454,097**	267,303
Net cash (outflow)/inflow from operating activities	**(100,545)**	165,017
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(114)**	-
Intangible assets	**-**	200
Net cash (outflow)/inflow from investing activities	**(114)**	200
Net (decrease)/increase in cash and cash equivalents	**(100,659)**	165,217
Cash and cash equivalents, beginning of the year	**576,275**	411,058
Cash and cash equivalents, end of the year	**475,616**	576,275
Represented by:		
Cash in hand	**5,608**	3,442
Cash at bank	**470,008**	572,833
	475,616	576,275

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

MAL ALI AUDITING

1 Legal status and business activities

1.1 **KRBL DMCC, Dubai** – United Arab Emirates (the "Entity") was registered on October 08, 2006 as DMCC Company and operates in the United Arab Emirates under a trade license issued by the Dubai Multi Commodities Centre, Dubai, U.A.E. & **KRBL LLC** (the "Entity") was formed on October 29, 2008 as Limited Liability Company and operates in the Secretary of State, Delaware - United State of America.

1.2 The principal activities of the entity consist of Grains Cereals & Legumes Trading and Foodstuff & Beverages Trading and company also provide other services.

1.3 The registered office of the Entity is located at Unit No. AG-06-K. AG Tower Plot No: JLT PH1- I1A, Jumeirah Lake Tower, Dubai, United Arab Emirates.

1.4 The management is vested with the key managerial personnal & control is vested with KRBL Limited.

1.5 These financial statements incorporate the operating results of the trade license no. DMCC-30637

2 Basis of preparation

2.1 Statement of Compliance

These Financial statements have been prepared in accordance with the International Financial Reporting Standards issued by International Accounting Standards Board(IASB) and applicable requirements of UAE.

2.2 Functional & Presentation Currency

The financial statements are presented in United Arab Emirates Dirham(AED) which is also the functional currency of the Company. All financial information is presented in AED has been rounded off to the nearest Dirham.

2.3 Basis of Measurement and Accounting & Coverage

The financial statements have been prepared on Historical Cost Convention except in respect of those financial instruments, which are presented at their fair values and properly disclosed elsewhere in the report. These financial statements have been prepared under going concern assumption.

The Company follows the accrual basis of accounting, except for the statement of cash flows which is presented on cash basis. Under accrual basis, the transactions and events are recognized as and when they occur and are recorded in financial statements for the period to which they relate to.

The financial statements enclosed covers the year 1st April 2019 to 31st March 2020.

3 Standards, interpretations and amendments to existing standards

3.1 Standards, interpretations and amendments to existing standards that are effective from January 1, 2019

IFRS 16 Lease- New (effective for accounting period beginning on after January 1, 2019)

IFRS 16 brings most leases on balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and distinction between operating and finance leases is retained.

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

MAL ALI AUDITING

4 Summary of significant accounting policies:

The following accounting policies have been consistently applied by the management in preparation of the financial statements, except where stated here under:

4.1 Inventories:

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first in first out basis. Cost of inventories comprises of costs of purchase, and where applicable cost of conversion and other costs that has been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4.2 Property, plant & Equipment:

Property, plant & Equipment are carried at their cost of acquisition including any incidental expenses related to acquisition or installation, less accumulated depreciation and accumulated impairment loss. Depreciation has been provided on written down value method.

Property, plant & equipment are, at the reporting date, subject to impairment. Where any indication of impairment exist, the carrying amount is written down to its recoverable amount.

Gains and losses are determined by comparing proceeds with the asset's carrying amount. These are recognized under 'other income or expense' in the statement of comprehensive income.

4.3 IFRS 9 Financial Instruments:

These instruments are accounted as basic financial instrument :

a) Cash & Cash equivalents:
Cash and cash equivalents comprise cash and liquid funds with an original maturity of three months or less which includes balance with bank in current account. Other bank deposits with maturity less than a year are classified as short term bank deposits.

b) Trade Receivables:
Trade receivables are due from customers in ordinary course of business. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Where there is objective evidence of amounts that are not collectible, a provision is made for the difference between the carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

c) Trade payables:
Trade payables represents obligations towards venders in ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

d) Other financial assets:
Other financial assets are recognised initially at transaction value and subsequently measured at amortised cost using effective interest method less impairment. However, all other financial assets have a value on realization in the ordinary course of entity's business, which is at least equal to the amount at which they are stated in the statement of financial position.

e) Other financial liability
Other financial liabilities include borrowings if any, are initially measured at transaction value , net of transaction cost. These are subsequently measured at amortised cost using effective interest method.

MALALI AUDITING

4 Summary of significant accounting policies: (Continued)

4.3 IFRS 9 Financial Instruments:

e) Other financial liability

Recognition and initial measurement

Receivables are initially recognised when they are originated, All other financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instruments.

A Financial asset (unless it is trade receivable without a significant financing component) or a financial liability is initially measured at fair value plus, for an item not at FVTPL, Transaction cost that are directly attributable to its acquisition or issue. Receivable without a significant financial component is initially measured at transaction price.

Derecognition of financial assets & financial liability

Financial assets are derecognised only when the contractual rights to the cash flows expire or substantially all the risks and rewards of ownership are transferred along with the contractual rights to receive cash flows. Financial liabilities are derecognised only when they are extinguished i.e. when the obligations specified in the contract are discharged or cancelled or expire.

4.4 Impairment of non- financial assets:

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill are reviewed at the end of each reporting period for possible reversal of the impairment loss.

4.5 Provisions & Contingencies

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to financial statements. Disclosure is made when there is a possible obligation or present obligation that may, or may not, require an outflow of resources. When likelihood of outflow is remote, no provision or disclosure is made.

4.6 IFRS 15, Revenue from Contracts with Customers

IFRS 15 replaces IAS 18 which covers contracts for sale of goods and rendering of services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard provides a new five-step model that must be applied to all contracts with customers.

MAL ALI AUDITING

4 Summary of significant accounting policies (Continued)

4.6 IFRS 15, Revenue from Contracts with Customers (continued)

Time of recognition:

Sales are recognised when products are delivered to the customer and the customer has full discretion over the channel and price to sell the product and there is no unfulfilled obligation that could affect the acceptance of products. Delivery occurs when the goods are shipped; all the risk and rewards associated are transferred to the customer, i. e customer gains control over the goods. Also either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

Measurement of revenue

Revenue from sales is based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale.

4.7 Expenditure:

Expenses are accounted for on accrual basis and provisions are made for all known losses and liabilities. Expenses are presented in the statement of comprehensive income, classified as per nature of expense.

4.8 Foreign currency transaction:

Transaction in foreign currency, are converted into functional currency at prevailing exchange rate on the date such transaction are entered into. Monetary assets and liabilities denominated in foreign currencies, if any, are translated into functional currency at the exchange rates prevailing at the reporting date. The resultant foreign exchange gains and losses are recognized in the Comprehensive Income Statement.

Non- monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost or fair value , are translated into functional currency at exchange rate prevailing on the date of determination of fair value respectively. The resultant gains and losses are recognized in the statement of comprehensive income, in the year when such assets are realized or liabilities are discharged.

4.9 Offsetting of financial assets and liabilities:

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

4.10 Use of Estimates & Judgments

The preparation of financial statements, in conformity with IFRS, requires management to make estimates, judgments and assumptions that affect the application of policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected & same are mentioned under respective accounting policy note. The following accounting estimates and management judgments have been considered, which are material in nature, in preparation of financial statements.

(a) Useful life of property, plant & equipment:

Entity's management estimates the useful life of property, plant & equipment and residual value for calculating depreciation. It reviews the estimated life & residual value on annual basis & future depreciation expense would be adjusted where the management believes that useful life differs from the previous estimates.

M. AL ALI AUDITING

4 Summary of significant accounting policies (Continued)

4.10 Use of Estimates & Judgments (continued)

(b) Impairment of Trade receivables:

Account receivables are subjected to recoverability test on a periodical basis when collection of full amount is no longer probable. Accounts receivable balances which are individually significant, are verified for ageing, subsequent receipts & balance confirmations. Accounts receivable balances which are individually not material, are assessed collectively & estimated reserve for impairment is created if same is outstanding for beyond normal credit terms & doubtful.

4.11 Financial Assets

On initial recognition, a financial asset is classified as measured at amortised cost; FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the entity changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL.
It is held within a business model whose objective is to hold assets to collect contractual cash flows; and Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost of FVOCI are measured at FVTPL.

4.12 Financial Liabilities

Financial liabilities are classified as amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.
Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

MAL ALI AUDITING

5 Property, plant and equipment

The gross carrying amounts and accumulated depreciations and impairment is shown below:

	Vehicles	Office Equipment	Furniture and fixtures	Total
Cost				
As at April 01, 2018	184,000	73,663	84,861	342,524
Addition during the year	-	-	-	-
As at March 31, 2019	184,000	73,663	84,861	342,524
Addition during the year	-	114	-	114
As at March 31, 2020	**184,000**	**73,777**	**84,861**	**342,638**
Accumulated depreciation				
As at April 01, 2018	66,240	25,467	42,102	133,809
Charge for the year	23,552	9,405	8,786	41,743
As at March 31, 2019	89,792	34,872	50,888	175,552
Charge for the year	18,893	8,727	5,877	33,497
As at March 31, 2020	**108,685**	**43,599**	**56,765**	**209,049**
Carrying value as at March 31, 2020	**75,315**	**30,178**	**28,096**	**133,589**
Carrying value as at March 31, 2019	94,208	38,791	33,973	166,972

	2020	2019
6 Investment property		
Investment in Apartment	**1,250,009**	1,250,009
Investment in new office K & L	**3,157,560**	3,157,560
	4,407,569	4,407,569

Note: Current year valuation report for the above properties are not available, therefore the entity's management decides to carry on Investment property at cost.

7 Intangible assets		
Goodwill	**92,668**	92,668
	92,668	92,668

8 Related party transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions with third parties. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

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

a) Due from related parties

KRBL LTD	**659,739**	203,041
	659,739	203,041

9 Inventories		
Finished goods	-	285,786
	-	285,786
10 Trade receivables		
Trade receivables	-	405
	-	405
11 Advances, deposits and other receivables		
Deposits	**27,293**	30,555
Staff loans and advances	**14,615**	14,622
Other loans & advances	**68,742**	433,934
Vat recoverable	**28,514**	27,728
	139,164	506,839
12 Cash and bank balances		
Cash in hand	**5,608**	3,442
Cash at banks	**470,008**	572,833
	475,616	576,275

MAL ALI AUDITING

	2020	2019
13 Share capital		

Authorised, issued and paid up capital of the Entity is AED 1,800,000 divided into 1,800 shares of AED 1,000 each fully paid up and held by the shareholder, M/s KRBL Limited, India, 100% holding company.

	2020	2019
14 Foreign currency translation reserve		
Balance at the beginning of the year	**(163,315)**	(163,419)
Addition due to conversion of operational transactions	**46,362**	104
Balance at the end of the year	**(116,953)**	(163,315)
15 Retained earnings		
Balance at the beginning of the year	**4,436,761**	4,580,894
Comprehensive (loss) for the year	**(634,501)**	(144,133)
Balance at the end of the year	**3,802,260**	4,436,761
16 Trade and other payable		
Other payables	**423,038**	166,109
	423,038	166,109
17 Revenue		
Sales	**196,030**	483,863
	196,030	483,863
18 Direct cost		
Cost of sales	**285,786**	341,315
	285,786	341,315
19 Other income		
Commission income	**1,448,260**	1,409,501
Rental income	**128,150**	128,150
Other income	**471,485**	372,505
	2,047,895	1,910,156
20 Selling and distribution expenses		
Selling & distribution	**126,036**	79,170
Advertisement & business promotion	**104,124**	-
	230,160	79,170

21 Administrative & general expenses

	2020	2019
Salaries and related benefits	**1,692,647**	1,488,701
Printing and stationery	**2,999**	3,917
Travelling and conveyance	**176,201**	224,951
Legal, visa, professional and related expenses	**185,462**	197,564
Utilities & Communication	**35,482**	35,860
Depreciation on property, plant and equipment (note 4)	**33,497**	41,743
Balances written off	**6,776**	-
Insurance	**97,929**	98,332
Bank charges	**6,253**	7,330
Service charges	**75,925**	-
Vehicle maintenance	**23,578**	12,880
Misc. expenses	**25,731**	6,389
	2,362,480	2,117,667

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22 Financial instruments

a) *Significant accounting policies*

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4 to the financial statements.

b) *Categories of financial instruments*	As at March 31, 2020	2019
Financial assets at amortised cost		
Due from related parties	**659,739**	203,041
Trade receivables	**-**	405
Other receivables	**139,164**	506,839
Cash and bank balances	**475,616**	576,275
	1,274,519	1,286,560
Financial liabilities at amortised cost		
Trade and other payable	**423,038**	166,109
	423,038	166,109

c) *Fair values of financial instruments*

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, trade receivables, investments, due from related parties and certain other assets. Financial liabilities consist of trade payables and accruals, due to related parties, term loans, bank overdrafts and certain other liabilities.

The fair values of financial assets and liabilities are not materially different from their carrying values as at the reporting date.

23 Financial risk management objectives

The Entity management set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Entity's policy guidelines are complied with.

There has been no change to the Entity's exposure to these financial risks or the manner in which it manages and measures the risk.

The Entity is exposed to the following risks related to financial instruments. The Entity has not framed formal risk management policies, however, the risks are monitored by management on a continuous basis. The Entity does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

a) *Foreign currency risk management*

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in UAE Dirhams and USD and Dirham to USD conversion is pegged.

23 Financial risk management objectives (continued)

b) *Liquidity risk management*

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

The table below summarises the maturity profile of the Entity's financial assets. The contractual maturities of the financial assets have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity were maintained. The maturity profile of the assets and liabilities at the financial position date based on contractual repayment arrangements were also show on the following table.

	Interest bearing			Non Interest bearing			
Particulars	**On deman d or less than 3**	**Within 1 year**	**More than 1 year**	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**Total**
				As at March 31, 2020			
Financial assets							
Due from related parties	-	-	-	-	659,739	-	659,739
Other receivables	-	-	-	-	139,164	-	139,164
Cash and bank balances	-	-	-	475,616	-	-	475,616
	-	-	-	475,616	798,903	-	1,274,519
Financial liabilities							
Trade and other payable	-	-	-	423,038	-	-	423,038
	-	-	-	423,038	-	-	423,038

	Interest bearing			Non Interest bearing			
Particulars	**On deman d or less than 3**	**Within 1 year**	**More than 1 year**	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**Total**
				As at March 31, 2019			
Financial assets							
Due from related parties	-	-	-	-	203,041	-	203,041
Trade receivables	-	-	-	-	405	-	405
Other receivables	-	-	-	-	506,839	-	506,839
Cash and bank balances	-	-	-	576,275	-	-	576,275
	-	-	-	576,275	710,285	-	1,286,560
Financial liabilities							
Trade and other payable	-	-	-	166,109	-	-	166,109
	-	-	-	166,109	-	-	166,109

23 Financial risk management objectives (continued)

c) *Credit risk management*

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity uses its own trading records to rate its existing customers and increase their credits limits. The Entity's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management regularly and the Entity maintains an allowance for doubtful debts based on expected collectability of all trade receivables.

The Entity does not have significant credit risk exposure to a single counterparty or any group of counter parties having similar characteristics. The Entity defines counterparties as having similar characteristics if they are related entities.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

24 Capital risk management

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance. The Entity's overall strategy remains unchanged from prior year.

The capital structure of the Entity consists of cash and cash equivalents and equity comprising issued capital, reserves and retained earnings as disclosed in the financial statements.

25 Comparative amounts

Certain amounts for the prior year were reclassified to conform to current year presentation, however such reclassification do not have a impact on the previously reported profit or equity.

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