

**SIMBHAOLI GLOBAL COMMODITIES DMCC**

Dubai – United Arab Emirates

Financial Statements and  
Independent Auditor's Report  
For the year ended March 31, 2018

**Simbhaoli Global Commodities DMCC**  
**Dubai – United Arab Emirates**

**Financial Statements and Independent Auditor's Report**  
**For the year ended March 31, 2018**

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**Company Information: Simbhaoli Global Commodities DMCC**

**Legal Status:**

Free zone company with limited liability registered with Dubai Multi Commodities Centre Authority, Dubai, United Arab Emirates

**Date of Incorporation:**

September 23, 2008, license issued on November 16, 2008

**Activities:**

Trading in sugar and agricultural commodities (DMCC)

**Directors:**

Ms. Gursimran Kaur Mann

Mr. Kamal Samtani

**Business Address:**

Unit No. 60,  
DMCC Business Centre,  
Level No. 5,  
Jewellery & Gemplex 2,  
P. O. Box: 340505,  
Dubai, U.A.E.  
Tel : +971 4 424 9600  
Fax : +971 4 375 1893  
Email: simbhaoli.global@gmail.com  
Web : www.simbhaolisugars.com

**Bank:**

Bank of Baroda

**Directors' Report**

The Board of Directors has pleasure in presenting their report and the audited financial statements for the year ended March 31, 2018.

**Business review:**

During the year the Company does not have any business operations, but received other income of Nil (P.Y: USD 40,000/-). The loss for the year is USD 15,150/- (P.Y: profit of USD 27,090/-). Management is making all efforts and is confident of better performance for the upcoming financial year.

**Events after the reporting period:**

There are no significant events after the reporting period.

**Auditors:**

The financial statements have been audited by Jaxa Chartered Accountants, who retire and, being eligible, offer themselves for reappointment.

**Acknowledgements:**

The Board of Directors would like to express their gratitude and appreciation to shareholder, bank, business partners and regulatory and government authorities whose continued support has been a source of great strength and encouragement.

**For the Board of Directors**

  
**Kamal Samtani**  
*Director*



May 29, 2018

## Independent Auditor's Report

To The Shareholder of  
**Simbhaoli Global Commodities DMCC**  
Dubai – United Arab Emirates

### *Qualified opinion*

We have audited the financial statements of **Simbhaoli Global Commodities DMCC** (the "Company"), which comprise the statement of financial position as at March 31, 2018, and the statement of comprehensive income, statement of changes in equity and 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, except for the possible effects of the matters described in the *basis for qualified opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### *Basis for qualified opinion*

Advances to suppliers and advances from customers are not independently confirmed to us.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Going concern*

As discussed in note 2.2 to the financial statements, these financial statements have been prepared on a going concern basis. For the year ended March 31, 2018, the Company has incurred a loss of USD 15,150/- and has shareholder's deficit of USD 49,583/- as at March 31, 2018 (March 31, 2017: USD 34,433/-). This factor raises doubts whether the Company will be able to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern, since the shareholder has committed to provide such support as may be required to enable the Company to meet its debts and obligations as they fall due.

## Independent Auditor's Report (continued)

### *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 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the 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.

### Independent Auditor's Report (continued)

- 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

As required by the U.A.E. Federal Law No. 2 of 2015, we report that:

1. we have obtained all the information we considered necessary for the purpose of our audit;
2. the financial statements of the Company have been prepared and comply, in all material respects, with the applicable provisions of the U.A.E. Federal Law No. 2 of 2015;
3. the Company has maintained proper books of account and records of the Company are in agreement with it;
4. the Company has not purchased any shares or stocks during the financial year;
5. the financial information included in the *directors' report* is consistent with the Company's books of account;
6. note 5 reflects the disclosures relating to related party transactions and the terms under which they were conducted;
7. based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during financial year ended March 31, 2018 any of the applicable provisions of the U.A.E. Federal Law No. 2 of 2015 or its Memorandum and Articles of Association and Dubai Multi Commodities Centre DMCC Company Regulations, 2003 and its amendments which would materially affect its activities or its financial position as at March 31, 2018.

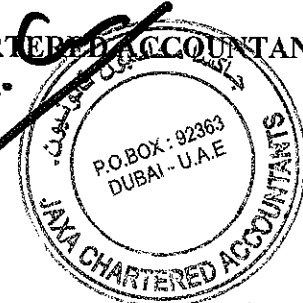
Dubai

May 29, 2018

Ref: DXB/215/HK/318396

JAXA CHARTERED ACCOUNTANTS

Reg. No. 44



**Simbhaoli Global Commodities DMCC**  
**Dubai – United Arab Emirates**

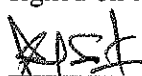
**Statement of Financial Position as at March 31, 2018**  
**(In US Dollars)**

	<u>Note</u>	<u>2018</u>	<u>2017</u>
<b>Assets</b>			
<b>Non-current assets</b>		-	-
<b>Current assets</b>			
Other receivables	3	161,926	132,000
Bank balances	4	<u>11,409</u>	<u>16,758</u>
<b>Total current assets</b>		<u>173,335</u>	<u>148,758</u>
<b>Total assets</b>		<u>173,335</u>	<u>148,758</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	1	81,744	81,744
Accumulated deficit		<u>( 131,327)</u>	<u>( 116,177)</u>
<b>Total equity</b>		<u>( 49,583)</u>	<u>( 34,433)</u>
<b>Non-current liabilities</b>		-	-
<b>Current liabilities</b>			
Loan from related party	5	34,191	-
Due to related party	5	175,895	170,431
Other payables	6	<u>12,832</u>	<u>12,760</u>
<b>Total current liabilities</b>		<u>222,918</u>	<u>183,191</u>
<b>Total liabilities</b>		<u>222,918</u>	<u>183,191</u>
<b>Total equity and liabilities</b>		<u>173,335</u>	<u>148,758</u>

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

The report of the independent auditor is set forth on pages 3 to 5.

The financial statements on pages 6 to 18 were approved by the shareholder on May 29, 2018 and signed on its behalf by:

  
**Kamal Samtani**  
*Director*



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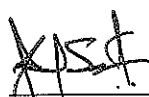



Simbhaoli Global Commodities DMCC  
Dubai – United Arab Emirates

Statement of Comprehensive Income  
For the year ended March 31, 2018  
(In US Dollars)

	Note	2018	2017
Other income	7	-	40,000
General and administrative expenses	8	( 13,685)	( 12,904)
Finance costs	9	( 1,465)	-
<b>(Loss)/profit for the year</b>		<b>( 15,150)</b>	<b>27,096</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>( 15,150)</b>	<b>27,096</b>

The accompanying notes form an integral part of these financial statements.  
The report of the independent auditor is set forth on pages 3 to 5.

  
  
 Kamal Samtani  
 Director

Simbhaoli Global Commodities DMCC  
Dubai – United Arab Emirates

Statement of Changes in Equity  
For the year ended March 31, 2018  
(In US Dollars)

	<u>Share capital</u>	<u>Accumulated deficit</u>	<u>Total</u>
Balance as at March 31, 2016	81,744	( 143,273)	( 61,529)
Profit for the year	-	<u>27,096</u>	<u>27,096</u>
<b>Balance as at March 31, 2017</b>	<b>81,744</b>	<b>( 116,177)</b>	<b>( 34,433)</b>
Loss for the year	-	<u>( 15,150)</u>	<u>( 15,150)</u>
<b>Balance as at March 31, 2018</b>	<b><u>81,744</u></b>	<b><u>( 131,327)</u></b>	<b><u>( 49,583)</u></b>

The accompanying notes form an integral part of these financial statements.  
The report of the independent auditor is set forth on pages 3 to 5.



**Simbhaoli Global Commodities DMCC**  
**Dubai – United Arab Emirates**

**Statement of Cash Flows**  
**For the year ended March 31, 2018**  
**(In US Dollars)**

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities</b>		
(Loss)/profit for the year	( 15,150)	27,096
<i>Adjustments for:</i>		
Finance costs	<u>1,465</u>	<u>4-</u>
<b>Operating cash flows before movements in working capital</b>	( 13,685)	27,096
Other receivables	( 29,926)	-
Due to related party	5,464	( 39,747)
Other payables	<u>72</u>	<u>231</u>
<b>Net cash used in operating activities</b>	<u>( 38,075)</u>	<u>( 12,420)</u>
<b>Cash flows from investing activities</b>	<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Loan from related party	34,191	-
Finance costs	<u>( 1,465)</u>	<u>-</u>
<b>Net cash generated from financing activities</b>	<u>32,726</u>	<u>-</u>
<b>Net decrease in cash and cash equivalents</b>	( 5,349)	( 12,420)
Cash and cash equivalents at the beginning of the year	<u>16,758</u>	<u>29,178</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>11,409</u></u>	<u><u>16,758</u></u>

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

The report of the independent auditor is set forth on pages 3 to 5.



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**Simbhaoli Global Commodities DMCC**  
Dubai – United Arab Emirates

**Notes to the Financial Statements**  
**For the year ended March 31, 2018**

**1. Legal status and operations**

Simbhaoli Global Commodities DMCC (the “Company”), a free zone company with limited liability, is registered with Dubai Multi Commodities Centre Authority, Dubai, United Arab Emirates under the license no: DMCC-31110 issued on November 16, 2008.

The registered address of the Company is Unit No. 60, DMCC Business Centre, Level No. 5, Jewellery & Gemplex 2, P. O. Box: 340505, Dubai, United Arab Emirates.

Authorized, issued and fully paid up share capital of the Company is AED 300,000/- divided into 300 shares of AED 1,000/- each.

The details of the shareholder as at March 31, 2018 are as follows:

Sl. No.	Name	Nationality	Shares	Amount AED	%
1	M/s. Simbhaoli Sugars Limited	India	300	300,000	100
	<b>Total</b>		<b>300</b>	<b>300,000</b>	<b>100</b>

**Activities**

The Company has a license for trading in sugar and agricultural commodities (DMCC).

**2. Significant accounting policies**

**2.1 Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards including International Accounting Standards and Interpretations, issued or adopted by the International Accounting Standards Board (IASB) and applicable provisions of U.A.E. laws.

**2.2 Going concern**

The Company incurred a loss of USD 15,150/- for the year ended March 31, 2018 and has accumulated losses of USD 131,327/- as at March 31, 2018 (March 31, 2017: USD 116,177/-) and net liabilities of USD 49,583/- as at March 31, 2018 (March 31, 2017: USD 34,433/-). The Company's ability to continue as going concern is dependent upon its ability to generate sufficient cash flows from the shareholder. The shareholder has given an undertaking to continue to provide and arrange financial support as may be necessary to enable the Company to meet its obligations as they fall due and to continue its operations in the foreseeable future. The management is confident that the Company will be successful in generating a satisfactory level of positive cash flows from its future operations to repay its debts, as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.



**Simbhaoli Global Commodities DMCC**  
**Dubai – United Arab Emirates**

**Notes to the Financial Statements (continued)**  
**For the year ended March 31, 2018**

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**2. Significant accounting policies (continued)**

**2.3 Basis of preparation**

The financial statements have been prepared on the historical cost basis, except for financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

These financial statements are presented in US Dollar (USD), which is the functional currency of the Company.

**2.4 Revenue recognition**

All revenue is measured at the fair value of the consideration receivable, excluding discounts and rebates.

**Other income**

Other income is credited to income at the time of effecting the transaction.

**2.5 Foreign currencies**

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are converted into US Dollar at the rates of exchange prevailing at the end of the reporting period and gain or loss arising thereon was charged to profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated.

**2.6 Financial assets**

The Company has the following financial assets: 'other receivables' and 'bank balances'. The classification depends on the nature of the financial asset and is determined at the time of initial recognition.

**Loans and receivables**

Other receivables are stated at their nominal value. Allowance for impairment is made against loans and receivables when their recovery is in doubt. Loans and receivables are written off only when all possible courses of action to achieve recovery have proved unsuccessful.

**Cash and cash equivalents**

Cash and cash equivalents consist of balance with the bank in current accounts.



Notes to the Financial Statements (continued)  
For the year ended March 31, 2018

2. Significant accounting policies (continued)

2.6 Financial assets (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer counterparty;
- breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial re-organization;
- the disappearance of an active market for that financial asset because of causes which are financial and non-financial.

For certain categories of financial assets such as trade receivables that are assessed as not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

For the financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.



Notes to the Financial Statements (continued)  
For the year ended March 31, 2018

2. Significant accounting policies (continued)

2.6 Financial assets (continued)

Impairment of financial assets (continued)

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the assets at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

De-recognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset.

2.7 Equity instruments and financial liabilities

Equity instruments and financial liabilities of the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the asset of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue cost.

Financial liabilities

Financial liabilities consist of 'loan from related party', 'due to related party' and 'other payables'. Financial liabilities, including bank borrowings are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expenses recognized on an effective yield basis, except for the short-term payables when the recognition of interest would be immaterial.



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Simbhaoli Global Commodities DMCC  
Dubai – United Arab Emirates

Notes to the Financial Statements (continued)  
For the year ended March 31, 2018

2. Significant accounting policies (continued)

2.7 Equity instruments and financial liabilities (continued)

Financial liabilities (continued)

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or has expired.

2.8 Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.9 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for financial statements after April 01, 2017 and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company, except for IFRS 9: *Financial Instruments* which could change the classification and measurement of financial assets. The Company does not plan to adopt this standard early and the extent of the impact has not been determined.

3. Other receivables

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Advance to suppliers	145,176	132,000
Deposits	13,906	-
Prepayments	<u>2,844</u>	<u>-</u>
	<u>161,926</u>	<u>132,000</u>





**Simbhaoli Global Commodities DMCC**  
**Dubai – United Arab Emirates**

**Notes to the Financial Statements (continued)**  
**For the year ended March 31, 2018**

**4. Bank balances**

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Bank balances: in current accounts	<u>11,409</u>	<u>16,758</u>

**5. Related party**

The Company, in the ordinary course of business, entered into a variety of transactions at agreed terms and conditions, with companies, entities or individuals that fall within the definition of related party as contained in International Accounting Standard No. 24: *Related Party Disclosures*. Related parties comprise the Company's shareholder, directors and entities related to them, companies under common ownership and/or common management and control, their partners and key management personnel.

*Loan from related party at the end of the reporting period comprise of:*

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
<i>M/s. Simbhaoli Sugars Limited, India</i>		
Receipts during the year	32,726	-
Interest for the year	<u>1,465</u>	-
	<u>34,191</u>	-

This loan is unsecured and carry interest @ 12% and is repayable within March 31, 2019.

*Due to related party at the end of the reporting period comprise of:*

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
M/s. Simbhaoli Sugars Limited, India	<u>175,895</u>	<u>170,431</u>

During the year the Company entered into the following transactions with related party:

	<u>Year ended March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Miscellaneous income	-	<u>40,000</u>



**Simbhaoli Global Commodities DMCC**  
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**Notes to the Financial Statements (continued)**  
**For the year ended March 31, 2018**

**6. Other payables**

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Advance from customers	10,867	10,867
Accrued expenses	<u>1,965</u>	<u>1,893</u>
	<u><u>12,832</u></u>	<u><u>12,760</u></u>

**7. Other income**

	<u>Year ended March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Miscellaneous income (Note: 5)	<u>-</u>	<u>40,000</u>

**8. General and administrative expenses**

	<u>Year ended March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Rent	1,689	4,532
Legal, license and professional fees	7,583	7,901
Exchange loss and bank charges	<u>4,413</u>	<u>471</u>
	<u><u>13,685</u></u>	<u><u>12,904</u></u>

**9. Finance costs**

	<u>Year ended March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Interest on loan from related party (Note: 5)	<u>1,465</u>	<u>-</u>

**10. Contingent liabilities and commitments**

Except the ongoing business commitments, which are in the normal course of business, there has been no known contingent liability or capital commitments on the Company as at the end of the reporting period.



Notes to the Financial Statements (continued)  
For the year ended March 31, 2018

11. Financial instruments

**Fair value**

The fair value of the Company's financial instruments is not materially different from their carrying amounts in the statement of financial position.

**Risk management**

The main risks arising from the Company's financial instruments are credit risk, currency risk, interest rate risk and liquidity risk.

**a) Credit risk**

The Company's exposure to credit risk at the end of the reporting period is indicated by the carrying amounts of its financial assets, net of any applicable allowance for losses. The Company is exposed to credit risk on its financial assets as follows:

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Deposits	13,906	-
Advances	145,176	132,000
Bank balances	<u>11,409</u>	<u>16,758</u>

Deposits and advances are held with reputable parties.

The credit risk on bank balances is limited because the counterparty is a bank with high credit ratings assigned by international credit rating agencies.

**b) Currency risk**

The Company's currency risk relates to the exposure to the fluctuations in the foreign currency rates. There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in USD or AED to which USD is pegged.

**c) Interest rate risk**

Loan from related party are subject to fixed interest rates and are therefore exposed to fair value interest rate risk. Reasonably possible changes to the interest rates at the end of the reporting period are unlikely to have a significant impact on profit or equity.

**d) Liquidity risk**

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its short term financial liabilities at maturity date.



Simbhaoli Global Commodities DMCC  
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Notes to the Financial Statements (continued)  
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11. Financial instruments (continued)

Risk management (continued)

d) Liquidity risk (continued)

The table below analyses the Company's remaining contractual maturity for its short term financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Loan from related party	34,191	-
Due to related party	175,895	170,431
Other payables	<u>12,832</u>	<u>12,760</u>

12. Comparative figures

Certain amounts for the previous year were reclassified to conform to current year presentation.



Kamal Samtani  
Director

