KLJ Resources DMCC

Dubai, United Arab Emirates

Financial Statements

(Year ended March 31, 2022)

INDEX TO THE FINANCIAL STATEMENTS

COMPANY INFORMATION

Shareholders
KLJ Resources Limited, India

Directors
Mr. Hemant Jain
Mr. Gaurav Mehta

Manager
Mr. Laxmi Narayan Sunthwal

Principal business
The principal activities of the Company are "Petrochemicals Trading, Raw Materials Trading, Acids & Alkalines Trading, Plastic & Nylon Raw Materials Trading, Trading Refined Oil Products Abroad, Basic Industrial Chemical Trading, Gum and Glue Trading, Water treatment & Purification Chemicals Trading".

Regional office
KLJ Resources DMCC, Malaysia

License number
DMCC - 34149

Business address
PO Box 113405, Unit No: AG-33-L
AG Tower
Plot No: JLT-PH1-I1A
Jumeirah Lakes Towers
Dubai, United Arab Emirates

Bankers
Bank of Baroda
Dubai, United Arab Emirates

ICICI Bank Limited
Dubai, United Arab Emirates

ICICI Bank Limited
Bahrain

May Bank,
Kuala Lumpur, Malaysia

Auditors
TRC PAMCO Middle East Auditing & Accounting
P O Box 94570, Dubai
Tel: +971- 04- 2298777
Fax: +971- 04- 2999225
Email: info@trcpamco.com

DIRECTORS' REPORT

The management is pleased to present their report together with audited standalone financial statements of the Company for the year ended March 31, 2022.

Principle activities

The principal activities of the Company are "Petrochemicals Trading, Raw Materials Trading, Acids & Alkalines Trading, Plastic & Nylon Raw Materials Trading, Trading Refined Oil Products Abroad, Basic Industrial Chemical Trading, Gum and Glue Trading, Water treatment & Purification Chemicals Trading".

Business review

For the year, the Company has recorded a revenue of AED 70.59 million as compared to the previous year revenue of AED 33.75 million. The Company had earned a net comprehensive income of AED 3.50 million for the current year as compared to the net comprehensive income of AED 3.68 million for the previous year.

Events subsequent to the reporting date

There were no major events which occurred since the year end that materially affect the financial position of the Company.

Auditors

TRC PAMCO Middle East Auditing & Accounting, will retire at the conclusion of the meeting. They have expressed their willingness to continue in office and are eligible for re-appointment.

For KLJ Resources DMCC

P.O.Box : 113405 DUBAI - U.A.E. KLJ RESOURCES DMCC

Gaurav Mehta
Director
Dubai
April 27, 2022

INDEPENDENT AUDITOR'S REPORT

The Shareholder
KLJ Resources DMCC
United Arab Emirates

Report on the audit of the standalone financial statements of KLJ Resources DMCC for the year ended March 31, 2022

Opinion

We have audited the accompanying standalone financial statements of KLJ Resources DMCC, UAE ("the Company"), which comprises the statement of financial position as at March 31, 2022, 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 and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) for Small and Medium Sized Entities.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA's). Our responsibilities under those standards are further described in the auditors responsibilities for the audit of the financial statements of our report. We are independent of the Company in accordance with the 'International Ethics Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other Ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Responsibilities of 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 IFRSs and their preparation in compliance with the implementing regulations of Dubai Multi Commodities Centre, 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, the management is responsible for assessing the Company's ability to continue as a going concern, 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.

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E-mail: info@trcpamco.com

INDEPENDENT AUDITOR'S REPORT

Auditors responsibilities for the audit of the financial statements

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 ISA's 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 ISA's, we exercise professional judgment and maintain professional skepticism through out 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.

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INDEPENDENT AUDITOR'S REPORT

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 confirm that the financial statements comply with provisions of Implementing Regulation 2020 issued by the Dubai Multi Commodities Centre.

TRC PAMCO ML

TRC PAMCO Middle East Auditing & Accounting
Reg. No: 423
Dubai
April 27, 2022

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Statement of standalone financial position as on March 31, 2022

	Notes	As on Mar. 31, 2022	As on Mar. 31, 2021
			(Figures in AED)
ASSETS EMPLOYED			
Non current assets			
Property, plant and equipment (Net)	3	**3,865,997**	4,286,959
Investment in subsidiary	4	**676,110**	676,110
Investment in associate	5	**3,830,153**	3,830,153
		8,372,260	8,793,222
Current assets			
Trade receivable	6	**5,544,357**	10,312,371
Other receivables	7	**12,723**	14,353
Advance, deposits and prepayments	8	**192,719**	2,344,201
Cash and cash equivalents	9	**15,393,507**	1,617,511
		21,143,306	14,288,435
TOTAL ASSETS		**29,515,566**	23,081,657
FUNDS EMPLOYED			
Shareholders equity			
Share capital		**3,670,000**	3,670,000
Retained earnings		**19,617,725**	16,116,278
		23,287,725	19,786,278
Non current liabilities			
Employee terminal benefits		**245,288**	183,470
		245,288	183,470
Current liabilities			
Borrowings	10	**293,987**	3,044,265
Trade payables	11	**4,852,699**	13,853
Accruals and other payable	12	**835,867**	53,791
		5,982,553	3,111,909
TOTAL EQUITY & LIABILITIES		**29,515,566**	23,081,657

Annexed notes form an integral part of these financial statements.

For KLJ Resources DMCC

Gaurav Mehta
Director
Dubai
April 27, 2022

KLJ RESOURCES DMCC P.O.Box : 113405 DUBAI - U.A.E.

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Statement of standalone comprehensive income for the year ended March 31, 2022

	Notes	Year ended Mar. 31, 2022	Year ended Mar. 31, 2021
			(Figures in AED)
INCOME			
Sales		**70,590,700**	33,749,563
Less: Cost of goods sold	13	**(65,098,335)**	(28,760,445)
Gross income	**A**	**5,492,365**	4,989,118
EXPENDITURE			
Administrative and general expenses	14	**1,590,420**	1,230,368
Director remuneration		**109,000**	100,000
Depreciation		**427,699**	444,413
	B	**2,127,119**	1,774,781
Operational income for the year	**A-B**	**3,365,247**	3,214,337
Finance cost		**(121,044)**	(120,715)
Other income	15	**258,013**	589,826
Exchange gain/(loss)		**(768)**	(1,189)
Net comprehensive income for the year		**3,501,447**	3,682,259

Annexed notes form an integral part of these financial statements.

For KLJ Resources DMCC

Gaurav Mehta
Director
Dubai
April 27, 2022

Statement of standalone cash flow for the year ended March 31, 2022

	(Figures in AED)	
	Year ended Mar. 31, 2022	Year ended Mar. 31, 2021
I. FROM OPERATING ACTIVITIES		
Net comprehensive income for the year	**3,501,447**	3,682,259
Adjustments:		
Depreciation	**427,699**	444,413
Employees terminal benefits	**61,818**	120,727
Operating cash flow before working capital changes	**3,990,964**	4,247,399
Working capital changes		
(Increase)/decrease in trade receivable	**4,768,013**	(5,898,294)
(Increase)/decrease in due from related parties	-	11,458,779
(Increase)/decrease in other receivables	**1,630**	89,182
(Increase)/decrease in advance, deposits and prepayments	**2,151,482**	(1,785,097)
Increase/(decrease) in trade payables	**4,838,846**	(412,796)
Increase/(decrease) in accruals and other payable	**782,076**	(6,815,449)
Net cash generated from/(used in) operating activities (A)	**16,533,011**	883,723
II. FROM INVESTING ACTIVITIES		
Purchase of property	**(6,737)**	(7,779)
Net cash generated from/(used in) investing activities (B)	**(6,737)**	(7,779)
III FROM FINANCING ACTIVITIES		
Net proceeds from borrowing	**(2,750,278)**	(735,835)
Net cash generated used in financing activities (C)	**(2,750,278)**	(735,835)
Net (decrease) in cash and cash equivalents (A+B+C)	**13,775,996**	140,109
Cash and cash equivalents at beginning of the year	**1,617,511**	1,477,402
Cash and cash equivalents at end of the year	**15,393,507**	1,617,511
CASH & CASH EQUIVALENTS		
Cash balance	**5,302**	7,124
Bank balance	**15,388,205**	1,610,387
Cash and cash equivalents as per cash flow statement	**15,393,507**	1,617,511

Annexed notes form an integral part of these financial statements.

For KLJ Resources DMCC

Gaurav Mehta
Director
Dubai
April 27, 2022

Statement of standalone changes in equity for the year ended March 31, 2022

(Figures in AED)

	Share capital	Retained earnings	Total
Balance as on April 01, 2020	3,670,000	12,434,018	16,104,018
Net comprehensive income for the year	-	3,682,259	3,682,259
Balance as on March 31, 2021	**3,670,000**	**16,116,278**	**19,786,278**
Net comprehensive income for the year	-	3,501,447	3,501,447
Balance as on March 31, 2022	**3,670,000**	**19,617,725**	**23,287,725**

Annexed notes form an integral part of these financial statements.

For KLJ Resources DMCC

Gaurav Mehta
Director
Dubai
April 27, 2022

Significant accounting policies to the standalone financial statements for the year ended March 31, 2022

These financial statements have been prepared for the year ended March 31, 2022.

1. LEGAL STATUS, ACTIVITIES AND MANAGEMENT

1.1 Legal status

KLJ Resources DMCC ("the Company") was incorporated on May 26, 2014 and registered with Dubai Multi Commodities Centre Authority (DMCCA), Government of Dubai, UAE vide License No. DMCC -34149.

The registered office of the Company is located in the Emirate of Dubai and regional office is located in Malaysia.

As per the Memorandum of Association: the issued, subscribed and paid up capital of the Company as on March 31, 2022 is AED 3,670,000 divided into 3,670 shares of AED 1,000 each and all the shares are held by the M/s KLJ Resources Limited incorporated in India.

Name of the shareholder	No. of shares	%age of holding	Value (AED)
KLJ Resources Limited, India ("Holding Company")	3,670	100%	3,670,000

1.2 Activities

The principal activities of the Company are "Petrochemicals Trading, Raw Materials Trading, Acids & Alkalines Trading, Plastic & Nylon Raw Materials Trading, Trading Refined Oil Products Abroad, Basic Industrial Chemical Trading, Gum and Glue Trading, Water treatment & Purification Chemicals Trading".

1.3 Management

The day to day activities of the Company are jointly controlled and managed by Mr. Gaurav Mehta, Indian national bearing passport no. Z3068861 and Mr. Laxmi Narayan Sunthwal, Indian national bearing passport no. Z4906536.

1.4 Others

The financial results of the subsidiary Company, M/s. KLJ Resources PTE Ltd. (incorporated in Singapore) and equity accounting of associate Company, M/s KLJ Organic (Thailand) Limited (incorporated in Thailand), are not consolidated in the financial statements of the Company. A separate consolidated financial statements are prepared incorporated the financial results of subsidiary and associate.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC).

The financial statements are prepared under the historical cost convention.

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Significant accounting policies to the standalone financial statements for the year ended March 31, 2022

2.2 Adoption of new and revised international financial reporting standards (IFRS)

(a) New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs have been adopted in this financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current period but may affect the accounting for future transactions or arrangements.

I Definition of Material (Amendments to IAS 1 and IAS 8); The amendments, effective for annual reporting periods beginning on or after 1 January 2020, clarify that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

II Interest Rate Benchmark Reform - (Amendments to IFRS 9, IAS 39 and IFRS 7); with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021.

III Amendments to References to the Conceptual Framework in IFRS Standards.

IV COVID-19 Rent Related Concessions (Amendments to IFRS 16).

***(b)* New and revised IFRSs in issue but not yet effective**

New standards and significant amendments to standards applicable to the Company

I Proceeds before intended use - (Amendments to IAS 16).

II Onerous contracts - cost of fulfilling the contract (Amendments to IAS 37).

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments is not expected to have any material impact on the financial statements of the Company in the period of their initial application.

2.3 Use of estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, revenues, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

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Significant accounting policies to the standalone financial statements for the year ended March 31, 2022

In particular, information about significant areas of estimation, uncertainty, and critical judgements in applying accounting policies (that have the most significant effect on the amount recognized in the financial statements) are discussed in Note 19.

2.4 Revenue recognition

Revenue from the sale of goods are recognized as per the requirement of IFRS 15. Revenue is recognized when the performance obligations are met and control of goods are transferred to the buyer.

Revenue is recognized at the transaction price mutually agreed between parties. Transaction price is the amount of consideration that an entity expects to be entitled to in exchange for transferring promised goods or services to a customer.

2.5 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets.

Asset	Useful life of asset	Depreciation rate
Computers	4 years	25%
Furniture and fixtures	4 years	25%
Office equipment	4 years	25%
Motor vehicles	4 years	25%
Property	15 years	6.67%

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the statement of comprehensive income as the expense is incurred.

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of comprehensive income in the period the asset is derecognized.

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Significant accounting policies to the standalone financial statements for the year ended March 31, 2022

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial period end, and adjusted prospectively, if appropriate.

2.6 Investments in a subsidiary

Investment where the Company holds more than 50% of the share capital of the investee Company and/or has the power to govern the financial and operating policies of the investee Company, so as to obtain benefits from its activities, are treated as subsidiary companies.

The investment in subsidiary Company is accounted for at cost less impairment losses, if any.

2.7 Investments in associate

Investment where the Company holds between 20% and 50% of the share capital of the investee Company and has significant influence are treated as associates and accounted for under the cost method of accounting stating the investment initially at cost and adjusted for any impairment in value, if any.

2.8 Accounts receivable

Accounts receivable are stated at original invoice amount less an ECL provision. ECL Provision is being made as per IFRS 9 based on the historical performance of the customers and provision matrix.

2.9 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances, and short-term deposits with an original maturity of three months or less.

2.10 Inventories

Inventories are valued at the lower of cost and net realizable value as required by IAS 2.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.11 Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received. In case the invoices are not available, the same is included in the accruals.

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Significant accounting policies to the standalone financial statements for the year ended March 31, 2022

2.12 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

2.13 Employees' end of service benefits

The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

2.14 Leases

At Inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company uses definition of a lease in IFRS 16.

Right of use assets

The Company recognises Right of use assets as per Lease Contract - Lease Rent and Period of lease. The cost of Right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised Right of use assets is depreciated on a straight-line basis over the lease term.

Lease liabilities

The Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. 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.

2.15 Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at the exchange rates at the date of the transaction.

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Dubai U.A.E.

Significant accounting policies to the standalone financial statements for the year ended March 31, 2022

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the reporting dates. Non-Monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction.

2.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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Significant accounting policies to the standalone financial statements for the year ended March 31, 2022

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. This note summarises accounting policy for fair value.

2.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and subsequent measurement

Financial assets are classified, at initial recognition, are classified as at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The losses arising from impairment are recognised in the Statement of comprehensive income.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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Significant accounting policies to the standalone financial statements for the year ended March 31, 2022

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

-The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with IFRS 9, the Company applies expected credit loss (ECL) model for measurement and recognition of
impairment loss on the following financial assets and credit risk exposure:
a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Financial assets that are debt instruments and are measured as at FVTOCI
c) Lease receivables under IFRS 16
d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IFRS 15 (referred to as contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:
-Trade receivables or contract assets; and
-All lease receivables resulting from transactions within the scope of IFRS 16

The Company recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider

-All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

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- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

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All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables.

Subsequent measurement

- Financial liabilities at fair value through profit or loss
- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
- Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

2.18 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.19 Share capital

Proceeds from issuance of ordinary shares are recognized as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.20 Value Added Tax

Value Added Tax (VAT) asset/ liability is recognized in the books on the basis of regulations defined by Federal Tax Authority (FTA).

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

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable;

- When receivables and payables are stated with the amount of value added tax included.

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

2.21 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events but is not recognized because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognized on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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Notes to the standalone financial statements for the year ended March 31, 2022

3. PROPERTY, PLANT AND EQUIPMENT

(Figures in AED)

Particulars	Property	Computers	Furniture & fixtures	Motor vehicle	Office equipment	Total
Cost						
As on April 01, 2020	5,851,365	20,469	66,794	118,830	11,022	6,068,479
Additions	-	7,779	-	-	-	7,779
Deletions	-	-	-	-	-	-
As on March 31, 2021	5,851,365	28,248	66,794	118,830	11,022	6,076,258
Additions	-	**6,737**	-	-	-	6,737
Deletions	-	-	-	-	-	-
As on March 31, 2022	**5,851,365**	**34,985**	**66,794**	**118,830**	**11,022**	**6,082,995**
Depreciation						
As on April 01, 2020	1,220,419	10,338	34,829	74,554	4,746	1,344,886
For the year	390,091	3,857	18,003	29,707	2,755	444,413
Deletions	-	-	-	-	-	-
As on March 31, 2021	1,610,510	14,195	52,832	104,261	7,501	1,789,299
For the year	**390,091**	**7,262**	**13,022**	**14,569**	**2,756**	427,699
Deletions	-	-	-	-	-	-
As on March 31, 2022	**2,000,601**	**21,457**	**65,854**	**118,830**	**10,257**	**2,216,998**
Net value						
As on March 31, 2022	**3,850,764**	**13,528**	**940**	-	**764**	**3,865,997**
As on March 31, 2021	4,240,855	14,053	13,962	14,569	3,521	4,286,959

The Company reviews the carrying value of its fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The impairment is measured as the amount by which the carrying value exceeds the fair value of the asset as determined by an estimate of undiscounted cash flows.

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		(Figures in AED)	
		As on Mar. 31, 2022	As on Mar. 31, 2021
4.	**INVESTMENT IN SUBSIDIARY**		
	M/s KLJ Resources PTE. Ltd., Singapore [Company incorporated in Singapore on September 28, 2018. Investment is made in 100% share capital of the Company represented by 250,000 Shares of Singapore Dollar (SGD) 1 each converted at fixed exchange rate of AED 2.7086 per SGD]. [Refer Note 2.6]. The Company is primarily involved in the business of whole sale trade of a variety of goods without a dominant product.	**676,110**	676,110
		676,110	676,110
5.	**INVESTMENT IN ASSOCIATE**		
	M/s KLJ Organic (Thailand) Limited [Company incorporated in Thailand on October 19, 2006. Investment is made in 27.84% share capital of the Company represented by 270,010 Shares of Baht 125 each converted at fixed exchange rate of AED 14.19 per Bhat]. [Refer Note 2.7]. The Company is engaged in the manufacture of Chlorinated paraffin, Hydrochloric acid and Sodium Hypochlorite. The investment in associate is accounted at cost.	**3,830,153**	3,830,153
		3,830,153	3,830,153
6.	**TRADE RECEIVABLE**		
	Trade receivable	**5,544,357**	10,312,371
	Less : Provision for doubtful debts	-	-
		5,544,357	10,312,371
	Ageing of debtors as on year end basis are as follows:-		
	Up to 6 months	**5,544,357**	10,312,371
	Above 6 months	-	-
		5,544,357	10,312,371

In determining the recoverability of trade receivables, the Company considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the date of adoption of the accounts. Management has taken the current market conditions and payment received subsequent to the reporting date when assessing the credit quality of trade receivables. Accordingly, taking all of the above into account, no provision is required on account of doubtful trade receivables.

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		(Figures in AED)	
		As on Mar. 31, 2022	As on Mar. 31, 2021
7.	**OTHER RECEIVABLES**		
	Net Vat receivable	**12,723**	14,353
		12,723	14,353
8.	**ADVANCE, DEPOSITS AND PREPAYMENTS**		
	Deposits	**57,973**	60,973
	Advances	**53,966**	25,553
	Advance to supplier	-	2,236,388
	Prepayments	**80,780**	21,287
		192,719	2,344,201
9.	**CASH AND CASH EQUIVALENTS**		
	Cash in hand	**5,302**	7,124
	Cash at bank	**15,388,205**	1,610,387
		15,393,507	1,617,511
10.	**BORROWINGS**		
	Unsecured loan		
	- From others	-	2,936,000
		-	2,936,000
	Add: interest accrued		
	- Loans from others	**293,987**	108,265
		293,987	3,044,265

(All loans taken by the Company have been repaid as per loan agreement dated March 01, 2020 and interest is payable at 3% per annum).

11.	**TRADE PAYABLES**		
	Trade payables	**4,852,699**	13,853
		4,852,699	13,853

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Notes to the standalone financial statements for the year ended March 31, 2022

(Figures in AED)

	As on Mar. 31, 2022	As on Mar. 31, 2020
12. ACCRUALS AND OTHER PAYABLE		
Deposit for rent property	**15,500**	45,916
Advances	**595,641**	-
Other payables	**215,726**	7,875
Director's sitting fee	**9,000**	-
	835,867	53,791

(Figures in AED)

	Year ended Mar. 31, 2022	Year ended Mar. 31, 2021
13. COST OF SALES		
Cost of goods sold	**62,536,181**	25,314,972
Direct expenses	**2,562,154**	3,445,472
	65,098,335	28,760,445

	Year ended Mar. 31, 2022	Year ended Mar. 31, 2021
14. ADMINISTRATIVE AND GENERAL EXPENSES		
Employee cost	**868,186**	715,831
Commission expense	**186,447**	-
Bank charges	**155,621**	163,549
Office and general expenses	**105,049**	40,884
Property related maintenance expenses	**79,141**	87,256
Rent	**68,803**	14,601
Travelling and conveyance expenses	**61,450**	38,962
License and registration expenses	**30,170**	21,432
Insurance expenses	**17,956**	34,482
Legal and professional charges	**17,598**	27,285
Bad debt	-	86,087
	1,590,420	1,230,368

	Year ended Mar. 31, 2022	Year ended Mar. 31, 2021
15. OTHER INCOME		
Rental income	**179,050**	179,272
Commission and others	**78,963**	410,554
	258,013	589,826

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Notes to the standalone financial statements for the year ended March 31, 2022

16. FINANCIAL INSTRUMENTS

The management believes that the fair value of the financial assets and liabilities are not significantly different from their carrying amounts at balance sheet date.

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed. The primary risks to which the business is exposed, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

a. Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency.

The Company does not have any significant currency risk as the Company's transactions are mainly in Arab Emirate Dirham (AED) & US Dollar that is pegged to AED.

b. Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the end of the reporting period. The Company has no significant concentration of credit risk. Cash balance is held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

The Company's bank account are placed with high credit quality financial institution. The Company manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. Credit risk is limited to the carrying value of financial assets in the balance sheet.

The maximum exposure to credit risk at the end of the reporting period was:

(Figures in AED)

	As on Mar. 31, 2022	As on Mar. 31, 2021
Trade receivable	**5,544,357**	10,312,371
Other receivables	**12,723**	14,353
Advance, deposits and prepayments	**192,719**	2,344,201
	5,749,799	12,670,924

Notes to the standalone financial statements for the year ended March 31, 2022

c. Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of the changes in market interests rates. The Company has borrowings with fixed interest rate.

d. Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from inability to sell a financial asset quickly at close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

(Figures in AED)

	Carrying amount	Within 1 year	1 to 5 years
As on March 31, 2022			
Borrowings	293,987	293,987	-
Trade payables	4,852,699	4,852,699	-
Accruals and other payable	835,867	835,867	-
	5,982,553	**5,982,553**	**-**
As on March 31, 2021			
Borrowings	3,044,265	3,044,265	-
Trade payables	13,853	13,853	-
Accruals and other payable	53,791	53,791	-
	3,111,909	**3,111,909**	**-**

e. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged during the year.

17. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no significant events occurring after the balance sheet date, which affect the financial position and performance of the Company and need recognition and/or disclosure in the financial statements.

Notes to the standalone financial statements for the year ended March 31, 2022

18. RELATED PARTY TRANSACTIONS

The entity in the normal course of business enters into transactions with other business enterprises that fall within the definition of related party contained in the international accounting standard. The entity believes that the terms of these transactions are not significantly different from those that could have been obtained from third parties.

Following is the break up of the transactions done with the related parties during the year under audit:

Name of the related party	Relationship
KLJ Resources Limited	Holding Company
M/s KLJ Resources PTE. Ltd., Singapore	Subsidiary Company
M/s KLJ Organic (Thailand) Limited	Associate Company
Mr. Laxmi Narayan Sunthwal	Key Management personnel
Mr. Gaurav Mehta	
Mr. Hemant Jain	Director

(Figures in AED)

A. Transactions during the year	Year ended March 2022 (AED)	Year ended March 2021 (AED)
M/s. KLJ Resources PTE. Ltd - Singapore		
Fund received	-	11,458,779
Mr. Laxmi Narayan Sunthwal		
Salary	**185,544**	150,720
Net advance repaid	**15,457**	35,499
Mr. Gaurav Mehta		
Director remuneration	**100,000**	100,000
Mr. Hemant Jain		
Director sitting fee	**9,000**	-

B. Balances receivable/(payable) at the end of the year are as follows:

(Figures in AED)

Name of the related parties	Nature of the balance	As on Mar. 31, 2022	As on Mar. 31, 2021
Mr. Laxmi Narayan Sunthwal	Net advance received/(paid)	**(10,956)**	4,501
Mr. Hemant Jain	Director's sitting fee	**(9,000)**	-

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Notes to the standalone financial statements for the year ended March 31, 2022

19 FAIR VALUE MEASUREMENT

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A significant portion of the Company's financial instruments is carried at fair value. The fair value of the financials instruments are not materially different from their carrying amounts.

20. The Company has working capital facilities (WCF) from ICICI Bank Limited (DIFC Branch), Dubai, UAE. The WCF are comprising of fund based facilities in the form of working capital demand loan increased to USD 10.0 million in current year from USD 5.0 million in previous year with non-fund based sub limit of letter of credit of USD 10.0 million (2020-21: USD 5.0 million) and stand by letter of credit of USD 3.0 million (2020-21: USD 5.0 million). As per amendment novation agreement dated December 30, 2021, the novation of loan agreement entered between company, ICICI Bank Limited (DIFC Branch), Dubai (Transferee) and ICICI Bank Limited, Bahrain Branch (Transferor) in which transferor agreed to re-transfer its entire rights and obligations (including in respect of the Debt and the Commitment) under the master facility agreement in respect of KLJ Resources DMCC to Transferee.

The facilities are secured by:

a. Undated cheques equivalents to the Facility amount and 6 months interest to be provided as payment instrument ;

b. Corporate Guarantee of the KLJ Resources Limited (Parent/Holding Company) up to 110.0 % of the Facility amount;

c. Personal Guarantee of Mr. Hemant Jain (Promoter/Director);

d. Designation of the Bank as first loss payee in the risk insurance policies of the company on a pari passu basis;

e. Subordination of KLJ Resources Ltd's current account with the borrower.

21. CONTINGENT LIABILITIES

As represented by the management, except for the ongoing commitments in the normal course of business against which no loss is expected, there are no other known contingent liabilities existing at the reporting date other than disclosed in the financials.

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Details of contingent liabilities as on the year end are as follows:

		(Figures in AED)	
		As on	As on
Guarantee	**Bank**	**Mar. 31, 2022**	Mar. 31, 2021
Letter of credit	ICICI Bank	**5,538,397**	6,833,136
		5,538,397	6,833,136

22. GENERAL

22.1 Figures in the financial statements are rounded off to the nearest U.A.E Dirhams.

22.2 In the opinion of the management, all the assets as shown in the financial statements are existing and realizable at the amount shown against them, and there are no liabilities against the concern, contingent or otherwise, not included in the above financial statements.

22.3 Previous year figures are regrouped and (or) reclassified, wherever necessary for better presentation of financial statements and they are shown for comparison purposes only.

For KLJ Resources DMCC

Gaurav Mehta
Director
Dubai
April 27, 2022

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KLJ RESOURCES DMCC

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