

RENUKA COMMODITIES DMCC

Financial Statements
31st March 2022

RENUKA COMMODITIES DMCC

Financial Statements

31st March 2022

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RENUKA COMMODITIES DMCC
REPORT OF THE BOARD OF DIRECTORS

The Directors have pleasure in submitting their report and audited financial statements of the Company for the year ended on 31st March, 2022.

Status and principal activities

RENUKA COMMODITIES DMCC, is registered on 28th November, 2004 (License No. DMCC-30105) with DMCC Authority as a Limited Liability Company according to provisions of DMCC Law.
The registered office of the company is P.O.Box 125374, Jumeirah Lake Towers, Dubai, UAE

The Company is a wholly owned subsidiary of Shree Renuka Sugars Limited, India ('the Parent Company')

The principal activity of the company is trading in food products, beverages and related raw components and metal and metal ores.

Operating Results

During the year under audit, the Company achieved a turnover of AED 156,619,659. Further, during the year, the Company incurred a net loss of (AED 10,922,354).

Events since the end of the year

There was no important events occurring since the year end that materially affect the Company.

Auditors

Sangani and Company have indicated their willingness to accept re-appointment as auditors for the year ending on 31st March, 2023.

Signed on behalf of the Board



Terrence Kaskar (Director)
Dubai, 19 May, 2022





The Shareholders,
RENUKA COMMODITIES DMCC
P.O.Box 125374, Jumeirah Lake Towers, Dubai, UAE

Report of the Auditors

We have audited the financial statements of Renuka Commodities DMCC (the "Company"), which comprise the statement of financial position as at 31 March 2022, the related statements of comprehensive income, cash flows and changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and applicable provisions of DMCC Laws, and for such internal controls as management determines are 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.

The management is 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 ISA 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.

Report of the Auditors (continued)

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

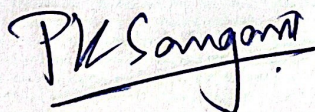
As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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 controls;
- Obtain an understanding of internal controls 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 controls;
- 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; and
- 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 management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with management, we determine if there are any matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We have determined that there are no key audit matters to communicate in our report.



Pratik Sangani
Partner, MOE No 697
Dubai, 19 May, 2022



RENUKA COMMODITIES DMCC

P.O.Box 125374, Jumeirah Lake Towers, Dubai, UAE

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31st March, 2022

	Note	31/03/2022 AED	31/03/2021 AED
Revenue	5	156,619,659	190,492,226
Cost of sales		<u>(156,619,553)</u>	<u>(190,492,226)</u>
Gross profit		106	-
Administrative and general expenses	6	(1,241,847)	(3,267,100)
Provision of impairment of other receivables and advances to suppliers	7	(1,835,000)	(108,517,313)
Liability written back	8	-	108,517,313
Finance costs	9	(7,884,411)	(7,311,026)
Other income	10	104,617	90,600
Net (loss) before depreciation		<u>(10,856,535)</u>	<u>(10,487,526)</u>
Depreciation	11	(65,819)	(74,464)
Net (loss) for the year		<u>(10,922,354)</u>	<u>(10,561,990)</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR		<u>(10,922,354)</u>	<u>(10,561,990)</u>

The notes on pages 8 to 15 form part of these financial statements.

Approved by the Management on 19 May, 2022

For RENUKA COMMODITIES DMCC


Terrence Kaskar (Director)

The report of the Auditors is set out on pages 2 and 3



RENUKA COMMODITIES DMCC

P.O.Box 125374, Jumeirah Lake Towers, Dubai, UAE

Statement of Financial Position

As at 31st March, 2022


	Note	31/03/2022 AED	31/03/2021 AED
Assets			
Non-current assets			
Property, plant and equipment	11	1,531,552	1,344,677
Investments	12	-	-
Current assets			
Trade and other receivables	13	1,125,819	3,963,742
Due from related parties	14	2,671,947	-
Cash at bank	15	1,793,951	6,606,275
		<u>5,591,717</u>	<u>10,570,017</u>
TOTAL ASSETS		<u>7,123,269</u>	<u>11,914,694</u>
Liabilities and Equity			
Current liabilities			
Trade and other payables	16	18,210,209	210,693,380
Due to a related party	14	520,179,883	321,837,883
		<u>538,390,092</u>	<u>532,531,263</u>
Non - current liabilities			
Provision for gratuity		66,062	41,929
		<u>66,062</u>	<u>41,929</u>
Total liabilities		<u>538,456,154</u>	<u>532,573,192</u>
Equity			
Share capital	17	400,000	400,000
Revaluation reserve		841,604	593,637
Other reserves		9,799,746	9,799,746
Retained (loss)		(542,374,235)	(531,451,881)
		<u>(531,332,885)</u>	<u>(520,658,498)</u>
TOTAL LIABILITIES AND EQUITY		<u>7,123,269</u>	<u>11,914,694</u>

The notes on pages 8 to 15 form part of these financial statements.

We approve these financial statements and confirm that we are responsible for them, including selecting the accounting policies and making the judgments underlying them. We also confirm that we have made available all relevant accounting records and information for its compilation.

Approved by the Management on 19 May, 2022

For RENUKA COMMODITIES DMCC


Terrence Kaskar (Director)

The report of the Auditor is set out on pages 2 and 3



RENUKA COMMODITIES DMCC

P.O.Box 125374, Jumeirah Lake Towers, Dubai, UAE

Statement of Changes in Equity

As at 31st March, 2022

	Share Capital AED	Revaluation Reserve AED	Other Reserves AED	Retained (loss) AED	Total AED
As at 31.03.2020	400,000	593,637	-	(520,889,891)	(519,896,254)
Movements	-	-	9,799,746	-	9,799,746
(Loss) for the year	-	-	-	(10,561,990)	(10,561,990)
As at 31.03.2021	400,000	593,637	9,799,746	(531,451,881)	(520,658,498)
Movements	-	247,967	-	-	247,967
(Loss) for the year	-	-	-	(10,922,354)	(10,922,354)
As at 31.03.2022	<u>400,000</u>	<u>841,604</u>	<u>9,799,746</u>	<u>(542,374,235)</u>	<u>(531,332,885)</u>

The notes on pages 8 to 15 form part of these financial statements.

The report of the Auditors is set out on pages 2 and 3

RENUKA COMMODITIES DMCC

P.O.Box 125374, Jumeirah Lake Towers, Dubai, UAE

Statement of Cash flows

As at 31st March, 2022

	31/03/2022	31/03/2021
Cash flows from operating activities		
Net (loss) for the year	(10,922,354)	(10,561,990)
Adjustments for non-cash items:		
Depreciation	65,819	74,464
Liability written back	-	(108,517,313)
Provision of impairment of other receivables and advances to suppliers	1,835,000	108,517,313
Profit on sale of asset	(14,000)	-
Operating (loss) before working capital changes	(9,035,535)	(10,487,526)
Changes in working capital:		
Trade and other receivables	1,002,923	4,008,925
Due from related parties	(2,671,947)	-
Trade and other payables	(192,483,171)	5,952,068
Due to a related party	198,342,000	(6,116,744)
Change in Employees' end of service benefits	24,133	5,756
Movement in other reserves	-	9,799,746
Net cash movements in operating activities	(4,821,597)	3,162,225
Cash flows from investing activities		
Purchase of property and equipment	(4,727)	-
Proceeds from sale of property and equipment	14,000	-
Net cash movements in investing activities	9,273	-
Cash flows from financing activities		
Bank borrowings	-	(88,706)
Net cash movements in financing activities	-	(88,706)
Net change in cash and cash equivalents	(4,812,324)	3,073,519
Cash and bank balances, beginning of year	6,606,275	3,532,756
Cash and bank balances, end of year	1,793,951	6,606,275

The notes on pages 8 to 15 form part of these financial statements.

The report of the Auditors is set out on pages 2 and 3

RENUKA COMMODITIES DMCC

P.O.Box 125374, Jumeirah Lake Towers, Dubai, UAE

Notes

(forming part of the financial statements)

1 Status and principal activities

RENUKA COMMODITIES DMCC, is registered on 28th November, 2004 (License No. DMCC-30105) with DMCC Authority as a Limited Liability Company according to provisions of DMCC Law.

The registered office of the company is P.O.Box 125374, Jumeirah Lake Towers, Dubai, UAE

The Company is a wholly owned subsidiary of Shree Renuka Sugars Limited, India ('the Parent Company')

The principal activity of the company is trading in food products, beverages and related raw components and metal and metal ores.

2 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and interpretations issued by the International Accounting Standards Board ("IASB") and applicable provisions of DMCC Laws.

3 Basis of preparation

These financial statements presented in U.A.E. Dirham's ("AED") have been prepared under the historical cost convention.

4 Principal accounting policies

Revenue

Revenue is recognised when the Company satisfies a performance obligation by transferring the goods/services (asset) to the customer. At contract inception, the performance obligation is determined to be satisfied at a point of time. An asset is transferred when (or as) the customer obtains control of the asset i.e. when the customer has the significant risks and rewards of ownership of the asset.

Measurement

Revenue is measured at the amount of the transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring the goods/services to a customer and thus stated at net of discounts, rebates, refunds etc.

RENUKA COMMODITIES DMCC

P.O.Box 125374, Jumeirah Lake Towers, Dubai, UAE

Notes (continued)

Property, plant and equipment

Property, plant and equipment and Intangible asset is stated at cost less accumulated depreciation/amortisation and impairment losses/revaluation method. The Cost comprise of purchase price, together with any incidental expense of acquisition.

Depreciation is calculated so as to write off the cost of property, plant and equipment by equal installments using straight-line method over their estimated useful lives as follows:

Assets	Life (years)
Office equipments	3-5 years
Furniture & fixtures	3-5 years
Motor vehicle	5 years
Office premises	30 years
Computer software	3 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss.

Financial instruments

The Company recognizes a financial asset or a financial liability in its statement of financial position when and only when the Company becomes a party to its contractual provisions. Financial asset comprise, cash, bank balances, trade receivables, deposits and due from related parties (excluding prepaids, advances paid). Financials liabilities include trade and other payables (excluding advances received and provisions)

Initial recognition and Measurement of Financial assets and Financial Liabilities

All financial assets and financial liabilities are initially measured at fair value, except for trade receivables which are measured at their transaction price if the trade receivables do not contain a significant financing component. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities not recognized at fair value through profit and loss are added to or deducted from, as the case may be, the fair value of such assets or liabilities on initial recognition.

Subsequent measurement of Financial Assets and Financial Liabilities

The Company classified financial assets as subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit and loss on the basis of its business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

The Company classifies financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit and loss.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

RENUKA COMMODITIES DMCC

P.O.Box 125374, Jumeirah Lake Towers, Dubai, UAE

Notes (continued)

4 Principal accounting policies (continued)

Derecognition 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 asset and substantially all the risks and rewards of ownership of the asset to another Company.

Derecognition of Financial Liability

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

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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 legal 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 of the company or the counterparty.

Impairment of Financial Assets

Assessment of credit risk and recognition of lifetime expected credit losses is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring based on reasonable and supportable information without undue cost or effort.

Recognition

The Company recognises a loss allowance for lifetime expected credit losses on a financial asset (measured at amortised cost and measured at fair value through other comprehensive income) if the credit risk has increased significantly since initial recognition or recognises a loss allowance at an amount equal to twelve month expected credit losses if the credit risk has not increased significantly. For trade receivables and contract assets within the scope of IFRS 15, the loss allowance shall be at an amount equal to lifetime expected credit losses.

Measurement

Expected credit losses are a probability-weighted estimate of credit losses over the expected life of the financial instrument. Credit loss is the present value of the difference between the contractual cash flows and the cash flows expected to receive. For credit impaired assets, the credit loss is the difference between the gross carrying amount and present value of the cash flows expected to receive. For trade receivables the expected credit losses is calculated using a provision matrix.

For other financial assets, the amount of the loss is measured as 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.

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.

Foreign currencies

Transactions denominated in foreign currencies are translated into AED at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into AED at the foreign exchange rate ruling at the balance sheet date. All differences arising on settlement or translation of monetary items are taken to the statement of profit or loss and other comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are retranslated to AED at the foreign exchange rate ruling at the date of the transaction.

RENUKA COMMODITIES DMCC

P.O.Box 125374, Jumeirah Lake Towers, Dubai, UAE

Notes (continued)

4 Principal accounting policies (continued)

Operating lease payments

Leases of assets under which the lessor effectively retains all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in the income statement on a straight line basis over the term of the lease.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Management is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The judgments, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. However, the resulting accounting estimates may differ from actual results.

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

Key Sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Property, Plant and Equipment

The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Allowance for doubtful debts

An allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of receivables, continuing credit evaluation of the customers financial conditions, and collateral requirements from customers in certain circumstances.

	31/03/2022 AED	31/03/2021 AED
5 Revenue		
Total revenue*	<u>156,619,659</u>	<u>190,492,226</u>

* Sales of White Sugar form 99.97% (PY - 99.98%) of the sales.

6 Administrative and general expenses

Salaries and benefits	497,270	101,165
Communication expenses	16,987	5,659
Insurance expenses	28,379	16,162
Travelling expenses	13,200	1,223
Repairs and maintenance expenses	54,814	35,095
Legal & professional expenses	485,476	300,495
Licence and other fees	30,119	33,308
Foreign exchange loss	81,601	2,740,198
Miscellaneous expenses	34,001	33,795
	<u>1,241,847</u>	<u>3,267,100</u>

RENUKA COMMODITIES DMCC

P.O.Box 125374, Jumeirah Lake Towers, Dubai, UAE

Notes (continued)

	31/03/2022	31/03/2021
	AED	AED
7 Provision of impairment of other receivables and advances to suppliers	1,835,000	108,517,313
8 Liability written back	-	108,517,313
9 Finance costs	7,870,303	7,283,607
Interest on borrowings (Refer note 14)	14,108	27,419
Bank Charges	7,884,411	7,311,026
10 Other income	90,617	90,600
Others	14,000	-
Profit on sale of asset	104,617	90,600

11 Property, plant and equipment

	Office Equipments (AED)	Furniture & Fixtures (AED)	Motor Vehicle (AED)	Office Premises (AED)	Computer Software (AED)	Total (AED)
Cost						
At 31st March, 2021	141,846	479,587	45,450	1,919,711	3,165	2,589,759
Additions	4,547	-	-	-	180	4,727
Revaluation	-	-	-	247,967	-	247,967
Disposal	-	-	(45,450)	-	-	(45,450)
At 31st March, 2022	146,393	479,587	-	2,167,678	3,345	2,797,003
Depreciation						
At 31st March, 2021	140,820	479,587	45,450	576,060	3,165	1,245,082
Charge for the year	1,653	-	-	64,141	25	65,819
Disposal	-	-	(45,450)	-	-	(45,450)
At 31st March, 2022	142,473	479,587	-	640,201	3,190	1,265,451
Net book value						
At 31st March, 2022	3,920	-	-	1,527,477	155	1,531,552
At 31st March, 2021	1,026	-	-	1,343,651	-	1,344,677

Office premises comprise following units:

Office (B3-24-10), Gold tower building, Al Thanyah Fifth Community, Jumeirah Lake Towers, Plot no 32, with area of 565sqft per title dated 22 June, 2011; and

Office (B3-24-11), Gold tower building, Al Thanyah Fifth Community, Jumeirah Lake Towers, Plot no 32, with area of 906sqft per title dated 22 June 2011.

The office premises have been revalued per valuation report dated 31 March, 2022 from valuation company registered in UAE.

RENUKA COMMODITIES DMCC

P.O.Box 125374, Jumeirah Lake Towers, Dubai, UAE

Notes (continued)

	31/03/2022	31/03/2021
	AED	AED
12 Investment in Associate		
Shree Renuka Global Ventures, Mauritius (Refer Note below)	299,770,560	299,770,560
Less: Provision for impairment in value of investments	<u>(299,770,560)</u>	<u>(299,770,560)</u>
	-	-

Note: The Company holds 17.12% investment in the associate. The activity of the associate is - Holding investments in the sugar sector in Brazil and Sri Lanka.

13 Trade and other receivables		
Trade receivables	431,185	1,505,460
Less: Provision for doubtful debts	<u>(431,185)</u>	<u>(431,185)</u>
	-	1,074,275
Prepaid expenses	981,529	1,014,258
Staff advances	102,419	6,039
Deposits	2,500	2,500
Other receivables	255,744,149	255,734,948
Advances to supplier	111,849,769	111,849,769
Less: Provision against other receivables and advances to supplier	<u>(367,554,547)</u>	<u>(365,718,047)</u>
	<u>1,125,819</u>	<u>3,963,742</u>

14 Transaction with related parties

The Company, in the normal course of business, carries out transactions with other business enterprises that fall within the definition of a related party as contained in International Accounting Standard No. 24. The transactions with related parties are at terms agreed with the related parties.

Sales to related parties	104,858,047	70,126,844
Purchases from related party	<u>156,619,553</u>	<u>190,492,226</u>
Term loan provided by a related party (Refer Note below)	198,180,000	-
Interest charged by related party	<u>7,870,303</u>	<u>7,283,607</u>
Write back of interest expense due to related party (shown as part of equity movement)	-	9,799,746

Due from related parties

Advances given to related parties

Renuka Vale Do Ivai S/A	137,549,394	137,549,394
Shree Renuka Do Brasil Participacoes Ltda.	298,169,916	298,169,916
Shree Renuka Sao Paulo Participacoes Ltda.	103,376,585	103,376,585
Shree Renuka Global Ventures Ltd.	1,766,306	1,766,306
Renuka Do Brasil S/A	299,399,624	299,399,624
Shree Renuka Sugars Ltd, India	2,671,947	-
Less: Provision for impairment of balances	<u>(840,261,825)</u>	<u>(840,261,825)</u>
	<u>2,671,947</u>	-

Due to a related party

Parent Company

Wilmar Sugar Holdings Pte. Ltd., Singapore*	520,179,883	321,837,883
	<u>520,179,883</u>	<u>321,837,883</u>

* The Company has availed loan from Wilmar Sugar Holdings Pte. Ltd., as per the Term loan agreements 26 September, 2018 and 17 June 2021, total of USD 141,622,620 (AED 520,179,883) with interest 6 months LIBOR + 1.5%.

RENUKA COMMODITIES DMCC

P.O.Box 125374, Jumeirah Lake Towers, Dubai, UAE

Notes (continued)

	31/03/2022	31/03/2021
	AED	AED
15 Cash at bank		
Cash at bank in:		
Current accounts	<u>1,793,951</u>	<u>6,606,275</u>
	<u>1,793,951</u>	<u>6,606,275</u>
16 Trade and other payables		
Trade payables	15,779,447	203,825,375
Other payables and deposit	2,425,818	1,473,881
Advances received from customers	4,944	5,394,124
	<u>18,210,209</u>	<u>210,693,380</u>
17 Share capital		
<i>Authorized, issued and fully paid up:</i>		
40 shares of AED 10,000 each	<u>400,000</u>	<u>400,000</u>

18 Financial Risk Management objectives and Policies

The Company management set out the Company's overall business strategies and its risk management philosophy. The Company's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The Company 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 Company's policy guidelines are complied with.

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

Interest risk

The company is exposed to interest rate risk on its external borrowings.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balances and receivables.

Assessment of credit risk without undue cost or effort is carried out on a collective basis for group of financial instruments either based on characteristics (type/credit risk rating/maturity) and/or default patterns in the past for comparable financial instruments before becoming past due. Assessment is based on indications of past events, current conditions that the contract assets / trade receivables are experiencing significant financial difficulty, borrower specific factors (eg modification or restructuring), internal credit rating, actual or expected changes in operating results as well as based on forward looking macro economic information such as adverse changes in business/financial/economic/regulatory/technological environment.

Based on assessment, credit risk is evaluated to be low for the financial instruments (including past due receivables, if any) as it has a low risk of default, the Company has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term will not necessarily reduce the ability of the Company to fulfill its contractual cash flow obligations.

Default risk is based on internal credit risk management policies of the Company and is mainly considered on a case to case basis depending on the historical trends.

Write-offs are considered only after the company has exhausted all its attempt for recovery of the receivables and there is no reasonable expectation of recovery (in cases of trade debtors have closed their business etc.).

Assets are not credit-impaired as there are no instances of significant financial difficulty of the customer, nor a breach of contract nor significantly past due.

The company seeks to limit its credit risk with respect to banks by only dealing with reputable banks/ banks with high credit-ratings assigned by international credit-rating agencies and with respect to customers by dealing with creditworthy customers, having diverse number of customers and setting credit limits for individual customers and monitoring outstanding receivables.

RENUKA COMMODITIES DMCC

P.O.Box 125374, Jumeirah Lake Towers, Dubai, UAE

Notes (continued)

18 Financial Risk Management objectives and Policies (continued)

Credit risk (continued)

The carrying amounts of the financial assets recorded in the financial statements represents the Company's maximum exposure to credit risks.

Liquidity Risk

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

Currency risk

The company is exposed to foreign currency risk arising from future commercial transactions and recognized assets and liabilities that are denominated in a currency other than the functional currency of the Company.

19 Capital Risk Management

The Company's objectives when managing capital are to safeguard the Companies' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, additional funding from shareholders etc.

Capital comprises share capital, revaluation reserve, other reserves and retained (loss) and amounts to (AED 531,332,885 Dr) as at 31st March, 2022.

20 Fair values of financial instruments

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.

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

Level 1 – Quoted Prices for identical instruments in an active market;

Level 2 – Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3 – Inputs which are not based on observable market data.


The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Fair value of the financial instruments approximate their carrying values.

22 Comparative figures

Previous year figures have been reclassified to confirm to the presentation in the current year financial statements.

For RENUKA COMMODITIES DMCC


Terrence Kaskar (Director)

