

**PARRY INTERNATIONAL DMCC**

**DUBAI**

**UNITED ARAB EMIRATES**

**FINANCIAL STATEMENTS AND REPORT OF THE AUDITOR**

**FOR THE YEAR ENDED**

**31 MARCH, 2025**

**PARRY INTERNATIONAL DMCC**

**DUBAI**

**UNITED ARAB EMIRATES**

**31 MARCH, 2025**

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## The Entity

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Principal office address : Unit No: 4502-023, Mazaya Business Avenue BB2  
Plot No: JLTE-PH2-BB2, Jumeirah Lakes Towers,  
Dubai, United Arab Emirates

Shareholder / Parent : Parry Sugars Refinery India Private Limited,  
Company Incorporated under Rules of India.  
(Holding 100% of equity shares)

Directors : 

<u>Name</u>	<u>Nationality</u>
Suresh Kannan	Indian
Sridhar Adepalli	Indian

Manager : Pronab Kumar Dutta Indian

Auditor : Stuart & Hamlyn,  
Chartered Accountants Firm  
Auditing P O Box - 92224  
Dubai, United Arab Emirates

Banker : Emirates NBD  
Baniyas Street, Head  
Office, First Floor  
PO Box 777, Dubai,  
United Arab Emirates

**PARRY INTERNATIONAL DMCC**  
Dubai - United Arab Emirates

**Directors Report**

The Directors have pleasure in presenting their sixth report and the audited financial statements for the financial year ended March 31, 2025.

In accordance with the updated policies and regulatory framework introduced by the Dubai Multi Commodities Centre (DMCC), all registered companies are required to adopt the suffix "FZCO". Consequently, the name of the company will be officially changed to "Parry International FZCO". As per the circular in this regard from DMCC, the name change shall have to take effect on or before 30 June 2026.

**Principal activities of the Entity:**

The principal activities of the entity are:

1. Sugar trading
2. Trading for Proprietary account on regulated exchanges (DMCC)

**Financial review:**

The table below summarizes the results for the financial year ended March 31, 2023

Particulars	Financial Year ended March 31, 2025 In AED	Financial Year ended March 31, 2024 In AED
Revenue	209,670,930	117,605,487
Expenses net of other Income	(208,077,981)	(130,504,405)
Net Profit / (Loss) for the financial year	1,592,949	(12,898,918)

**BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENTS:**

The Sugar Year 24-25 saw a shift from a deeply deficit balance sheet to a more comfortable supply situation. Brazil's sugar production stood at 40 MMT, the second largest historical output, with Thailand registering a steep surplus output at around 12 MMT. The EU and Central America similarly finished the season with surplus outputs. The lone underperformer was India with ~26 MMT sugar production (post-ethanol diversion). The white premiums and flat prices witnessed declines from highs prevailing in the Sugar 22-23 and 23-24 years.

Your company recorded a revenue of AED 209.67 M in trading refined sugar during the year.

**DIVIDEND**

During the financial year ended March 31, 2025, the Entity did not declare any dividend.

## **RESERVES**

The Entity has not transferred any amount to the reserves for the financial year ended March 31, 2025.

## **EMPLOYEES**

The Company has one employee, who is the Manager, as of March 31, 2025.

## **SHARE CAPITAL**

The Equity Share Capital of the Entity as on March 31, 2025, was AED 15,942,952 comprising 15,943 Equity Shares of AED 1,000 each.

100% Equity share capital of the Entity is held by the Parent Company; M/s Parry Sugars Refinery India Private Limited.

## **DIRECTORS:**

1. Mr. Suresh Kannan
2. Mr. Sridhar Adepalli

## **RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS:**

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

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

## **GOING CONCERN:**

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

**EVENTS AFTER YEAR END:**

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

**AUDITORS:**

M/s. Stuart & Hamlyn, Chartered Accountants, DMCC Approved Audit Firm (Account Number with DMCC : 148608), United Arab Emirates, is willing to continue in office, and a resolution to re-appoint them will be proposed in the Annual General Meeting.

**STATEMENT OF DIRECTORS RESPONSIBILITIES:**

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

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

**ACKNOWLEDGEMENTS**

The Directors wish to place on record their sincere gratitude for the continuous support extended by DMCC, banks and other stakeholders.



**Suresh Kannan**  
Director



**Sridhar Adepalli**  
Director

**PARRY INTERNATIONAL DMCC**

**Date: May 13, 2025**



**INDEPENDENT AUDITOR'S REPORT**

To the Shareholder in  
Messrs. Parry International DMCC  
Unit No. 4502-023  
Mazaya Business Avenue BB2  
Plot No. JLTE – PH2 – BB2, Jumeirah Lakes Towers  
Dubai, United Arab Emirates

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Messrs. Parry International DMCC, Dubai, U.A.E (The Company), which comprise the statement of financial position as at 31 March, 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the 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 Messrs. Parry International DMCC, Dubai, U.A.E (The Company), as at 31 March, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

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

**Emphasis of Matter:**

Without qualifying the report, we wish to highlight the content of (Note 12) to the financial statements with regard to the going concern status of the Company. These financial statements have been prepared under the going concern concept despite the fact that the Company has a negative equity and working capital deficit, considering the undertaking provided by the shareholder.

**Other Matters/ Information**

Management is responsible for the other information. The other information comprises the 'Director's Report' which is set out on pages 2- 4. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance or conclusion thereon.



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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 for such internal control that the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the planning and performance of 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 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 auditor's report. 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 a fair presentation.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

As required by DMCC regulations:

- i) We have obtained all the information we considered necessary for the purposes of our audit;
- ii) The Company has maintained proper books of account;
- iii) The financial statements of the Company have been prepared and comply, in all material respects, with applicable provisions of the Dubai Multi Commodities Centre regulations;
- iv) Notes 8 and 9 to the financial statements of the Company disclose material related party transactions and the terms under which they were conducted;
- v) Based on the information that has been made available to us, nothing has come to our attention that causes us to believe that the Company has contravened, during the year ended 31 March, 2025 any of the applicable provisions of Dubai Multi Commodities Centre regulations that would materially affect its activities or its financial position as at 31 March, 2025.

**Joseph Philip**  
**Reg.No.749**  
**STUART & HAMLYN**  
**CHARTERED ACCOUNTANTS**



**ISSUED IN DUBAI ON 13 MAY, 2025**

**PARRY INTERNATIONAL DMCC - DUBAI, U.A.E**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH, 2025**

<u>Assets</u>	Note	31.03.2025 AED	31.03.2024 AED
<b>Non current assets</b>			
Property, plant and equipment - net carrying amount	5	-	246
<b>Current assets</b>			
Prepayments		56,661	54,407
Trade and other receivables	6	2,794,119	11,421,827
Bank account balances	7	2,373,879	1,700,061
<b>Total</b>		<u>5,224,659</u>	<u>13,176,295</u>
<b>Total assets</b>		<u>5,224,659</u>	<u>13,176,541</u>
<b><u>Liabilities and equity</u></b>			
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits		86,421	69,421
Loan from related party	8	10,650,250	10,705,276
<b>Total</b>		<u>10,736,671</u>	<u>10,774,697</u>
<b>Current liabilities</b>			
Related party	9	17,784,753	27,247,903
Trade and other payables	10	16,800	180,911
Corporate tax liability	18	120,456	-
<b>Total</b>		<u>17,922,009</u>	<u>27,428,814</u>
<b>Total liabilities</b>		<u>28,658,680</u>	<u>38,203,511</u>
<b>Equity</b>			
Share capital	11	15,942,952	15,942,952
Accumulated (losses)		(39,376,973)	(40,969,922)
<b>Total equity</b>	12	<u>(23,434,021)</u>	<u>(25,026,970)</u>
<b>Total liabilities and equity</b>		<u>5,224,659</u>	<u>13,176,541</u>

The accounting policies and notes attached herewith form part of these financial statements.

The independent auditor's report is set forth on pages 5-7

The financial statements were authorised for issue on 13 May, 2025 by the Board of Directors and signed on their behalf by:

**PRONAB KUMAR DUTTA**  
**MANAGER**

  
**SURESH KANNAN**  
**DIRECTOR**



**PARRY INTERNATIONAL DMCC - DUBAI, U.A.E**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH, 2025**

	Note	31.03.2025 AED	31.03.2024 AED
<b>Revenue</b>	13	209,670,930	117,605,487
<b>Direct, operating and administrative expenses</b>			
Cost of goods sold	14	(206,069,995)	(128,225,899)
Operating, administrative and general expenses	15	(1,241,739)	(3,184,001)
Interest on loan charged by related party	9	(639,015)	(649,665)
Mark to market gain/(loss) on the exchange positions		-	1,943,364
Net profit/(loss) before other income		1,720,181	(12,510,714)
Loss on foreign currency exchange		(6,776)	(439,386)
Other income	16	-	51,182
<b>Profit/(loss) before tax for the year</b>		1,713,405	(12,898,918)
Tax expenses	18	(120,456)	-
<b>Net profit/(loss) for the year</b>		<b>1,592,949</b>	<b>(12,898,918)</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the year c/f</b>		<b>-</b>	<b>-</b>

The accounting policies and notes attached herewith form part of these financial statements.

The independent auditor's report is set forth on pages 5-7

The financial statements were authorised for issue on 13 May, 2025 by the Board of Directors and signed on their behalf by:

**PRONAB KUMAR DUTTA**

**MANAGER**

  
**SURESH KANNAN**

**DIRECTOR**



**PARRY INTERNATIONAL DMCC - DUBAI, U.A.E**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH, 2025**

	<b>Share capital AED</b>	<b>Accumulated (losses) AED</b>	<b>Total AED</b>
Balance at 31 March, 2023	15,942,952	(28,071,004)	(12,128,052)
Net (loss) for the year	-	(12,898,918)	(12,898,918)
Balance at 31 March, 2024	15,942,952	(40,969,922)	(25,026,970)
Net profit for the year	-	1,592,949	1,592,949
<b>Balance at 31 March, 2025</b>	<b>15,942,952</b>	<b>(39,376,973)</b>	<b>(23,434,021)</b>

The accounting policies and notes attached herewith form part of these financial statements.

The independent auditor's report is set forth on pages 5-7



**PARRY INTERNATIONAL DMCC - DUBAI, U.A.E**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH, 2025**

	<b>31.03.2025</b>	<b>31.03.2024</b>
	<b>AED</b>	<b>AED</b>
<b>Operating activities</b>		
Profit/(loss) before tax for the year	1,592,949	(12,898,918)
Adjustments for:		
Depreciation	246	558
Provision for employee's end of service benefits	17,000	14,909
Reversal of excess provision	-	(18,499)
Net cash flow before changes in operating assets and liabilities	<u>1,610,195</u>	<u>(12,901,950)</u>
<b>Changes in operating assets and liabilities:</b>		
Movement in related party account	(9,463,150)	25,411,286
Prepayments	(2,254)	(2,280)
Trade and other receivables	8,627,708	(11,027,511)
Trade and other payables	(164,111)	(1,778,453)
Corporate tax liability	120,456	-
Net cash generated from/(used in) operating activities	<u>728,844</u>	<u>(298,908)</u>
<b>Financing activities</b>		
Movement in loan from related party	<u>(55,026)</u>	<u>23,608</u>
Increase/(decrease) in cash and cash equivalents	673,818	(275,300)
Cash and cash equivalents at the beginning of the year	1,700,061	1,975,361
<b>Cash and cash equivalents at the end of the year</b>	<u><u>2,373,879</u></u>	<u><u>1,700,061</u></u>

The accounting policies and notes attached herewith form part of these financial statements.

The independent auditor's report is set forth on pages 5-7



**Note 1 General information**

**1.1 Incorporation**

Parry International DMCC, DUBAI (The Company) was formed as a Free Zone Company at Dubai Multi Commodities Centre (DMCC) in accordance with the provisions of the Law No. (4) of 2001 and order dated 1 May, 2002 in respect of establishing Dubai Multi Commodities Centre Authority. The entity was registered in the trade registry on 25 December, 2017 under Certificate No. DMCC101800 and operates under Trade License No. DMCC-392178 and DMCC- 377579 issued on 22 January, 2018, by DMCC Authority.

In accordance with the updated policies and regulatory framework introduced by the Dubai Multi Commodities Centre (DMCC), all registered companies are required to adopt the suffix "FZCO". Consequently, the name of the company will be officially changed to "Parry International FZCO". As per the circular in this regard from DMCC, the name change shall have to take effect on or before 30 June 2026.

**1.2 Activities**

The Company is licensed to operate :

Under Trade license No. DMCC -392178  
 - Trading for proprietary account on regulated exchanges (DMCC)

Under Trade license No. DMCC -377579  
 - Sugar trading

**1.3 Address**

The registered address of the Company is at Unit No. 4502-023, Mazaya Business Avenue BB2, Plot No. JLTE - PH2 - BB2, Jumeirah Lake Towers, Dubai, United Arab Emirates.

**1.4 Shareholder**

	No. of shares	Amount AED	% of capital
M/s. Parry Sugars Refinery India Private Limited (A legal corporate entity formed under laws of India) (Refer Note 11)	15,943	15,942,952	100

**Note 2 Basis of preparation and presentation**

**2.1 Statement of compliance**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB).

**2.2 Basis of preparation**

The financial statements have been prepared in accordance with historical cost convention. Under historical cost convention, assets are carried at its original cost to 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.



### **2.3 Going concern assumption**

These financial statements have been prepared prudently on the assumption that Company as an entity shall continue in business for the foreseeable future and taking into account expenses and income related to the financial period irrespective of whether they have been paid and received.

The management has, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Company adopts the going concern basis of accounting in preparing the financial statements.

### **2.4 Adoption of new and revised International Financial Reporting Standards (IFRSs)**

#### **2.4.1 New standards, interpretations and amendments effective for the current year**

The following new and revised standards and interpretations have been adopted in the current year:

Lack of exchangeability (Amendment to IAS 21, The Effects of Changes in Foreign Exchange Rates)

1-Jan-2025

#### **2.4.2 New standards, interpretations and amendments in issue but are not yet effective**

Standards, amendments and interpretations issued but not yet effective at the date of authorisation of these financial statements are listed below. The Company intends to adopt those standards when they become effective.

International Accounting Standards (IAS/IFRSs)	<i>Effective date</i>
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)	1-Jan-2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1-Jan-2026
Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	1-Jan-2026
IFRS 18 Presentation and Disclosure in Financial Statements	1-Jan-2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1-Jan-2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	To be determined

The management believes that the adoption of the above amendments are not likely to have any significant impact on the financial statements of the Company for future periods.

### **2.5 Functional and presentation currency**

Items included in the financial statements of the Company are denominated in United Arab Emirates Dirhams (AED) as the majority of the Company's transactions are conducted in that currency. The financial statements of the Company are therefore expressed in United Arab Emirates Dirhams (AED).

### **Note 3 Summary of material accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied all the years presented unless otherwise stated.



The preparation of financial statements in conformity with International Financial Reporting Standard requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in process of applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are material to the financial statements are disclosed in Note (4).

### **3.1 Foreign currency translation**

Foreign currency transactions are translated into functional currency using the exchange rates on a monthly average basis. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within "finance income or costs". All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains - net.

### **3.2 Current/ Non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

Expected to be realised or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

### **3.3 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 to or 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.



### **3.4 Property, plant and equipment**

#### **Recognition and measurement:**

Property, plant and equipment are stated at historical costs less accumulated depreciation and any accumulated impairment losses. Historical costs include expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

Any increase arising on the revaluation is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings

Freehold land is not depreciated.

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.

If there is an evidence of asset being impaired, the Company estimates the net recoverable amount and the assets' carrying amount is written down to its recoverable amount if the carrying amount is found to be greater than the estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the other gain/losses - net in the statement of profit or loss and other comprehensive income.

#### **Depreciation:**

Items of property, plant, and equipment are depreciated on a straight - line basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Items of property, plant, and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. The estimated useful lives for the current and comparative years of significant items of property, plant, and equipment are as follows:

	Estimated useful life (years)
Office equipment	4



### **3.5 Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **3.6 Financial assets**

Financial assets comprise of cash and cash equivalents, due from related parties and accounts and other receivables.

#### Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI "FVTOCI", or through profit or loss "FVTPL"),
- and those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Financial assets that do not meet the criteria for amortised cost or FVOCI are classified as and measured at fair value through profit or loss. A gain or loss on a debt investment measured at fair value through profit or loss which is not part of a hedging relationship is recognised in the statement of profit or loss for the year in which it arises.

The Company derecognises 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.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

#### Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

**3.6.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Company's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.

**3.6.2 Receivables**

Receivable balances that are held to collect are subsequently measured at the lower of the amortised cost or the present value of estimated future cash flows. The present value of estimated future cash flows is determined through the use of value adjustments for uncollectable amounts. The Company assesses on a forward-looking basis the expected credit losses associated with its receivables and adjusts the value to the expected collectible amounts.

Receivables are written off when they are deemed uncollectable because of bankruptcy or other forms of receivership of the debtors. The assessment of expected credit losses on receivables takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region, and other forward-looking information.

**3.6.3 Other financial assets**

Other financial assets include both debt instruments and equity instruments. Debt instruments include those subsequently carried at amortised cost, those carried at FVTPL, and those carried at FVTOCI.

**3.6.4 Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss.



### **3.6.5 Derecognition of financial assets**

The Company derecognises 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. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

### **3.6.6 Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

### **3.7 Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. 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 other payables, loans and borrowings, due to and loans from related parties.

#### **3.7.1 Trade payables**

Trade payables are recognised initially at the transaction price and stated in the statement of financial position at their nominal value.

#### **3.7.2 Other payables**

Other payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Other payables are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest method.

#### **3.7.3 Derecognition of financial liabilities**

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

### **3.8 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 recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.



### **3.9 Provisions**

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### **3.10 Employees' benefit obligations**

The liability has been recognised in the statement of financial position in respect of employees' leave, passage and end of service benefits on time basis in full for every employee in the service of the Company at the end of the reporting period in accordance with the provisions of the Labour Law of the United Arab Emirates.

### **3.11 Revenue recognition**

The Company derives revenue from trading for proprietary account on regulated exchanges and sugar trading.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to each of the performance obligations in the contract:
5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

#### **Sale of goods or services**

Revenue from the sale of goods in the normal course of business is recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer.

The consideration expected by the Company may include fixed or variable amounts which can be impacted by sales returns, trade discounts and volume rebates. Revenue for the sale of goods is recognised when control of the asset is transferred to the buyer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods or services is accounted for separately based on their stand-alone selling prices. Revenue is recorded net of value added tax (VAT). A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For products for which a right of return exists during a defined period, revenue recognition is determined based on the historical pattern of actual returns, or in cases where such information is not available, revenue recognition is postponed until the return period has lapsed.

The Company generates revenue from services, that can be sold separately, on stand alone basis and the revenue is recognized over time.

### **3.12 Value Added Tax (VAT)**

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

Expenses and assets are recognised 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 as per UAE VAT Law, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When receivables and payables are stated with the amount of Value Added Tax included, the net amount of Value Added Tax recoverable from, or payable to, the taxation authority is reported under trade and other receivables or payables in the financial statements.

### **3.13 Share capital**

Share capital is recorded at the amount received towards subscribing to the capital.

### **3.19 Taxation**

The income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**Note 4 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in policy notes, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

The significant judgements and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

**Critical judgements in applying accounting policies**

In the process of applying the Company's accounting policies, which are described above, and due to the nature of operations, management makes the following judgement that has the most significant effect on the amounts recognised in the separate financial statements.

**Determining the timing of satisfaction of performance obligations - revenue recognition**

In making their judgement, the Company considers the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Company has transferred control of the goods to the customer. The management is satisfied that control has been transferred and that recognition of revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision as applicable.

**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.

***Useful lives of property, plant and equipment***

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. If the recoverable amount of an asset falls below its carrying amount, the asset is considered impaired.



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*Impairment losses on trade and other receivables and other financial assets*

The Company subjects its trade and other receivables and other financial assets to impairment test, at least on annual basis. The Company makes judgement as to whether there is any observable data indicating that there is a measurable decrease in the amount to be realized from the respective parties. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

*Fair value of financial assets*

Valuation techniques are used to determine the fair values of financial instruments that are not traded on an active market. The Company uses its judgement to select from various methods and makes assumptions that are mainly based on market conditions existing at the end of reporting period.

*Employees' end of service benefits*

The employees end of service benefit provision is calculated on the assumption that all employees were to leave the Company as at the reporting date. The management opines that there shall be no significant difference if the liability was calculated on actuarial basis, since the increment / inflation rate of salary expense would offset the discount rate.

**Note 5 Property, plant and equipment**

<b>Cost</b>	<b>Office equipment</b>
At 31 March 2024	<u>4,909</u>
At 31 March 2025	<u>4,909</u>
<b>Depreciation</b>	<b>4 years</b>
At 31 March 2024	4,663
Charge for the year	246
At 31 March 2025	<u>4,909</u>
<b>Net carrying amount</b>	
<b>At 31 March, 2025</b>	<u><u>-</u></u>
<b>At 31 March, 2024</b>	<u><u>246</u></u>

**Note 6 Trade and other receivables**

	31.03.2025 AED	31.03.2024 AED
Trade receivables	2,785,880	11,386,866
Refundable deposits	3,000	3,000
Other receivables	5,239	31,961
<b>Total</b>	<u><u>2,794,119</u></u>	<u><u>11,421,827</u></u>



## 6.1 Trade receivables

Trade receivables inherently expose the Company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

The Company measures the loss allowance for trade receivables by applying a simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the life time expected credit losses on trade receivables. These life time expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates for looking information and general economic conditions of the industry as at the reporting date.

An age analysis of trade receivables is as follows:

	31.3.2025	31.3.2024
	Gross amount	Gross amount
0 - 60 days	2,785,880	11,386,866
<b>Note 7 Bank account balances</b>		
	31.03.2025	31.03.2024
	AED	AED
Bank current account balance	2,373,879	1,700,061

## Note 8 Related party

The Company enters into transactions with other parties that fall within the definition of a related party contained in International Financial Reporting Standards (IAS 24). Such transactions are carried out with such parties in the normal course of business and at terms that correspond to those on normal arm's length transactions with other parties. The related party transactions and the balances arising from these transactions at 31 March, 2025 are as follows:

Transactions	31.03.2025 AED	31.03.2024 AED
Purchase of merchandise	206,011,536	127,774,426
Service fee charged by related party	545,366	1,514,910
Interest charged by related party	639,015	649,665
Repayment/ loans from related party (Note 9)	694,041	626,057
Remuneration to managerial person	401,000	398,909
<b>Non commercial transactions - due to</b> Parry Sugars Refinery India Private Limited - India	17,784,753	27,247,903



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**Note 9 Loans from related party**

This loan represents funding from Messrs. Parry Sugars Refinery India Private Limited -India to support the working capital requirements of the company. As per the amended loan agreement, the tenure of the loans has been extended until March 2028, and the interest rate has been revised to the prevailing rates issued by the Federal Reserve System (FED) as of 1 April, 2023. Accordingly, the current interest rate is 6%.

	31.03.2025 AED	31.03.2024 AED
Balance at the beginning of the year	10,705,276	10,681,668
Interest charged during the year	639,015	649,665
Repaid during the year	(694,041)	(626,057)
Balance at the end of the year	<u>10,650,250</u>	<u>10,705,276</u>

**Note 10 Trade and other payables**

	31.03.2025 AED	31.03.2024 AED
Trade payables- commodity broker	-	164,911
Accrued expenses	16,800	16,000
Total	<u>16,800</u>	<u>180,911</u>

**Note 11 Share capital**

The share capital of the Company is made up of 15,943 fully paid up share of AED 1,000 each fully subscribed and paid up by the shareholder. (see note 1.4)

**Note 12 Going concern**

Notwithstanding the fact that the Company at the reporting date reports negative equity of AED 23,434,021 and a negative working capital of AED 12,697,350, the Company shall continue to carry on its business activities for the foreseeable future as going concern as the shareholder is willing and able to finance the activities of the Company. The shareholder is committed to support the funding requirements of the Company for the foreseeable future.

**Note 13 Revenue- segment information**

	31.03.2025 AED	31.03.2024 AED
<b>Revenue</b>		
Merchandise sales	209,576,836	128,921,568
Commodity exchange net revenue	94,094	(11,316,081)
Total	<u>209,670,930</u>	<u>117,605,487</u>

**Geographical information**

Merchandise sales		
-Outside U.A.E.	209,576,836	128,921,568



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<b>Note 14 Direct cost</b>	31.03.2025 AED	31.03.2024 AED
Merchandise purchase	206,011,536	127,774,426
Commodity exchange fees and related charges	58,459	451,473
<b>Total</b>	<b>206,069,995</b>	<b>128,225,899</b>
<b>Note 15 Operating, administrative and general expenses</b>	31.03.2025 AED	31.03.2024 AED
Service fee charged by related party	545,366	1,514,910
Payroll and related costs	401,000	398,909
Office lease rental	41,924	37,800
License and renewals	39,442	40,570
Professional and consultancy charges	18,598	18,638
Commodity exchange commission	45,801	939,734
Depreciation	246	558
Bank charges	63,151	188,874
Other general expenses	86,211	44,008
<b>Total</b>	<b>1,241,739</b>	<b>3,184,001</b>
<b>Note 16 Other income</b>	31.03.2025 AED	31.03.2024 AED
Interest income	-	32,683
Excess provision reversed	-	18,499
<b>Total</b>	<b>-</b>	<b>51,182</b>

**Note 17 Comparative figures**

The comparative information of the previous year has been reclassified wherever necessary, in order to be comparable with the current year's presentation. Such reclassifications do not affect the previously reported profits.

**Note 18 Corporate Tax**

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MOF") released Federal Decree-Law No.47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023.

Cabinet Decision no. 116 of 2022 (published in December 2022 and considered to be effective from January 16, 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate.

Since the provisions of the UAE CT law apply to Tax Periods commencing on or after June 1, 2023, the related current taxes accounted for in the financial statements for the period beginning 1 April, 2024. Accordingly, the Company has recorded the following amounts:



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<b>18.1 Income tax expense</b>	31.03.2025 AED
The major components of the income tax charge are:	
<b>Current income tax:</b>	
Current income tax charge (note 18.3)	<u>120,456</u>
<b>Deferred tax:</b>	
Relating to the origination and reversal of temporary differences	<u>-</u>
Income tax charge reported in the statement of comprehensive income	<u>120,456</u>

<b>18.2 Provision for taxation</b>	31.03.2025 AED
Movement in provision for taxation is as follows:	
At the beginning of year	-
Charge for the year	120,456
Paid during the year	-
At March 31	<u>120,456</u>

**18.3 Reconciliation of tax charge**

Reconciliation of the tax charge and the accounting profit multiplied by the UAE's domestic tax rate for the year ended March 31, 2025 is as follows:

	AED
Accounting profit before income tax	1,713,405
Disallowable expenses	-
Allowable deductions	-
Taxable profit before tax charge	<u>1,713,405</u>
Tax on taxable profit up to AED 375,000	-
Tax on taxable profit in excess of AED 375,000 @ 9%	<u>120,456</u>

At the effective current income tax rate of 2025: 9% (2024: NIL)

**Note 19 Financial risk management**

The Company has exposure to the following risks from use of its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The management has overall responsibility for the Company and oversight of the Company's risk management framework. The management is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.



### 19.1 Credit risk

Credit risk is managed on group basis. Credit risk arises from derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The credit risk on liquid fund is limited because the counter parties are banks with high credit ratings assigned by International Credit Rating Agencies. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Credit risk is limited to the carrying amount of the financial assets comprising of cash and cash equivalents, deposits refundable, and advances for expenses. The management continuously review all financial assets portfolios in order to assess reliability and risks associated therewith.

The maximum exposure to credit risk at the reporting date was:

	31.03.2025 AED	31.03.2024 AED
Trade and other receivables	2,794,119	11,421,827
Bank current account balances	2,373,879	1,700,061
<b>Total</b>	<b><u>5,167,998</u></b>	<b><u>13,121,888</u></b>

### 19.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's business and reputation.

The following are the contractual maturities of financial liabilities of the Company at the reporting date:

	Carrying amount AED	Contractual cash flows AED	Less than 1 year AED	More than 1 year AED
Accounts and other payables	16,800	16,800	16,800	-
Related party	28,435,003	28,435,003	17,784,753	10,650,250
<b>Total</b>	<b><u>28,451,803</u></b>	<b><u>28,451,803</u></b>	<b><u>17,801,553</u></b>	<b><u>10,650,250</u></b>

### 19.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.



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The Company's exposure to market risk arises from:

**Currency risk**

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of Company. The Company is not exposed to exchange rate risk on transactions relating to US \$ as AED is currently pegged to US \$. At the reporting date all the transactions in financial assets and financial liabilities are denominated in the functional currency of the Company therefore the Company is not exposed to currency risk.

**Interest rate risk**

The Company is exposed to interest rate risk when it borrows funds at floating interest rates. The Company does not have any interest bearing borrowings at the reporting date.

**Note 20 Number of employees**

	31.03.2025 No.	31.03.2024 No.
Number of employees in service of the Company at 31 March,	<u>1</u>	<u>1</u>

**Note 21 Approval of financial statements**

These financial statements were approved by the board of directors and authorized for issue on 13 May, 2025.

