

**PANOL INDUSTRIES RMC FZE  
RAK MARITIME CITY  
RAS AL KHAIMAH - UNITED ARAB EMIRATES**

**INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**PANOL INDUSTRIES RMC FZE  
RAK MARITIME CITY  
RAS AL KHAIMAH - UNITED ARAB EMIRATES**

**INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

## Independent Auditor's Report

To,  
The Shareholders,  
Panol Industries RMC FZE,  
RAK Maritime City,  
Ras Al Khaimah – United Arab Emirates.

### Report on the audit of the financial statements:

#### Opinion:

We have audited the accompanying financial statements of **PANOL INDUSTRIES RMC FZE**, (“the Establishment”), which comprise of the statement of financial position for the year ended **March 31, 2021**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements present fairly, in all material respects, the financial position of **PANOL INDUSTRIES RMC FZE** (“the Establishment”) as at **March 31, 2021** 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 the report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Entity's financial statements in the United Arab Emirates. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Furthermore, the management has compiled the financial statements on the basis of information, evidence and data that was available.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The management and those charged with governance are responsible for overseeing the company's financial reporting process.

The Company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Company's financial statements is appropriate. However, neither management nor the auditor can guarantee the Company's ability to continue as a going concern.

**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 include our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, as required by the UAE Federal Law No. (2) of 2015 (as amended), we report that we have obtained all the information and explanations that we considered necessary for the purpose of our audit. We did not conduct any tax audit separately; and our scrutiny and verification are samples base to ensure a peripheral tax assessment. According to the information made available to us, we are not aware of any contraventions of the UAE Federal Law No. (2) of 2015 (as amended), or the Entity's Articles of Association; which may materially effect on the financial position of the Entity or the result of its operations for the half year then ended.

The accounting policies and notes are an integral part of accompanying financial statements.



Mubarak Al Ketbi Chartered Accountants  
Mubarak Saeed Bakhit Alketbi (Reg. # 958)  
Dubai, United Arab Emirates

16 MAY 2021

**PANOL INDUSTRIES RMC FZE**  
**RAK MARITIME CITY**  
**RAS AL KHAIMAH - UNITED ARAB EMIRATES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

		31/03/2021	31/03/2020
	Note	AED	AED
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	34,108,401	32,638,525
		<b>34,108,401</b>	<b>32,638,525</b>
<b>Current Assets</b>			
Cash And Cash Equivalents	5	14,507,456	177,288
Inventories	6	52,804,512	30,208,207
Trade Receivables	7	15,228,349	29,562,597
Advances, Deposits And Prepayments	8	3,883,420	4,337,421
		<b>86,423,737</b>	<b>64,285,513</b>
<b>TOTAL ASSETS</b>		<b>120,532,138</b>	<b>96,924,038</b>
<b>Current Liabilities</b>			
Trade Payables	9	24,448,997	18,136,870
Other Accounts Payable	10	6,445,644	175,091
Short Term Borrowings	11	28,783,852	24,073,552
		<b>59,678,493</b>	<b>42,385,513</b>
<b>Total Liabilities</b>		<b>59,678,493</b>	<b>42,385,513</b>
<b>Equity</b>			
Share Capital		33,018,000	33,018,000
Retained Earnings		27,835,645	21,520,525
<b>Total Equity</b>		<b>60,853,645</b>	<b>54,538,525</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>120,532,138</b>	<b>96,924,038</b>

The accounting policies and notes on pages 7 - 16 form an integral part of these financial statements.

The independent auditors' report is set forth on page 1 - 2.

We declare that all records, information, and explanation provided for the preparation of accompanying financial statements is true, accurate, and complete to the best of our knowledge and belief; and have been approved and signed by the undersigned on 16-May-2021.

**For and on the behalf of :- PANOL INDUSTRIES RMC FZE**

  
Authorized signatory



**PANOL INDUSTRIES RMC FZE**  
**RAK MARITIME CITY**  
**RAS AL KHAIMAH - UNITED ARAB EMIRATES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2021**

		31/03/2021	31/03/2020
	Note	AED	AED
<b>Sales</b>	12	121,626,159	98,098,735
<b>Cost of Sales</b>	13	(99,310,455)	(80,264,915)
<b>Gross profit</b>		<b>22,315,704</b>	17,833,820
Operating And Administrative Expenses	14	(12,905,508)	(11,461,531)
Depreciation	4	(1,332,682)	(1,245,973)
<b>Operating profit</b>		<b>8,077,514</b>	5,126,316
Other Income		74,661	207,573
Exchange (Loss)		(271,892)	(166,825)
Financials Charges	15	(1,565,163)	(2,122,981)
<b>Net profit for the year</b>		<b>6,315,120</b>	3,044,083

The accounting policies and notes on pages 7 - 16 form an integral part of these financial statements.

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We declare that all records, information, and explanation provided for the preparation of accompanying financial statements is true, accurate, and complete to the best of our knowledge and belief; and have been approved and signed by the undersigned on 16-May-2021.

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Authorized signatory



**PANOL INDUSTRIES RMC FZE**  
**RAK MARITIME CITY**  
**RAS AL KHAIMAH - UNITED ARAB EMIRATES**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Share Capital	Retained Earnings	Total
	AED	AED	AED
<b>Balance at 01-Apr-2019</b>	33,018,000	18,476,442	51,494,442
Net profit for the year	-	3,044,083	3,044,083
<b>Balance at 31-Mar-2020</b>	33,018,000	21,520,525	54,538,525
Net profit for the year	-	6,315,120	6,315,120
<b>Balance at 31-Mar-2021</b>	<b>33,018,000</b>	<b>27,835,645</b>	<b>60,853,645</b>

The accounting policies and notes on pages 7 - 16 form an integral part of these financial statements.

The independent auditors' report is set forth on page 1 - 2.

The accompanying financial statements have been approved and signed by the undersigned on 16-May-2021.

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Authorized signatory





**PANOL INDUSTRIES RMC FZE**  
**RAK MARITIME CITY**  
**RAS AL KHAIMAH - UNITED ARAB EMIRATES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	31/03/2021	31/03/2020
Note	AED	AED
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the year	6,315,120	3,044,083
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	4 1,332,682	1,245,973
<b>Operating profit before changes in operating activities:</b>	7,647,802	4,290,056
<b>(Increase)/Decrease in current assets:</b>		
Inventories	6 (22,596,305)	8,420,319
Trade Receivables	7 14,334,248	(2,954,270)
Advances, Deposits And Prepayments	8 454,001	(436,521)
<b>Increase/(Decrease) in current liabilities:</b>		
Trade Payables	9 6,312,127	(917,042)
Other Accounts Payable	10 6,270,553	(2,676,141)
Short Term Borrowings	11 4,710,300	(5,189,380)
<b>Net cash generated from operating activities - (A)</b>	17,132,726	537,021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	4 (2,802,558)	(6,983,824)
Capital Work in Progress	-	4,576,370
<b>Net cash (used in) investing activities - (B)</b>	(2,802,558)	(2,407,454)
<b>Net Increase/(Decrease) in cash and cash equivalents - (A+B)</b>	14,330,168	(1,870,433)
Cash and cash equivalents at beginning of the year	177,288	2,047,721
<b>Cash and cash equivalents at end of the year</b>	5 14,507,456	177,288

The accounting policies and notes on pages 7 - 16 form an integral part of these financial statements.

The independent auditors' report is set forth on page 1 - 2.

The accompanying financial statements have been approved and signed by the undersigned on 16-May-2021.

**For and on the behalf of:- PANOL INDUSTRIES RMC FZE**

  
 Authorized signatory





**PANOL INDUSTRIES RMC FZE  
RAK MARITIME CITY  
RAS AL KHAIMAH - UNITED ARAB EMIRATES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

## 1 LEGAL STATUS AND BUSINESS ACTIVITY

- 1.1 PANOL INDUSTRIES RMC FZE (the Entity) was registered on 07-03-2012 in RAK Maritime City, Ras Al Khaimah, U.A.E. The entity registered address is P.O.Box: 5130, Rak Maritime City, Ras Al Khaimah, U.A.E.
- 1.2 The principle activity of the entity is Grease and Lubricant Manufacturing, under the License no. RMC 07 12 0001.
- 1.3 The management and control are vested with Mr. Samir Rayani.  
Mr. Samir Rayani, Mr. Amin Rayani and Mr. Mukesh Mehta has been appointed as director's of Panol Industries RMC FZE.
- 1.4 Tax registration number 100324047800003.

## 2 SHAREHOLDING

The shareholding of the entity is as follows:

AED

Name of the Shareholders	Shares holding	No. of shares	Value of shares
M/S. Panama Petrochem Ltd.	100%	33018	33,018,000
<b>Total</b>	<b>100%</b>	<b>33018</b>	<b>33,018,000</b>

The authorized and paid up share capital of the company is AED 33,018,000/- divided into 33018 shares of AED 1,000/- each.

## 3 SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of preparation

#### i) *Statement of compliance*

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued and adopted by the International Accounting Standards Board ("IASB") and the interpretations issued by the International Financial Reporting Interpretation Committee of the IASB enforce at 1 January 2018 and the applicable requirements of the local laws and regulations.

#### ii) *Accounting convention and Going concern*

These financial statements have been prepared under the historical cost convention and going concern basis.

#### iii) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in UAE Dirhams (AED), which is the Company's functional currency.

**PANOL INDUSTRIES RMC FZE  
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**iv) Changes in accounting policies and disclosures:**

***New and amended standards, and interpretations effective for the first time and applied:***

The following new accounting standards became applicable for the financial year beginning on or after 1 January 2018 and the Company had to change its accounting policies and make appropriate adjustments as a result of adopting these standards:

- IFRS 9 Financial Instruments; and
- IFRS 15 Revenue from Contracts with Customers

Below are the other amendments and interpretations applied for the first time in 2018, but do not have an impact on the financial statements of the Company.

***New interpretations:***

- IFRIC 22 Foreign Currency Transactions and Advance Consideration (issued in December 2016)
- Amendments to IFRS 1 and IAS 28 (Annual Improvements to IFRS Standards 2014–2016 Cycle, issued in December 2016)
- Amendments to IAS 40 titled Transfers of Investment Property (issued in December 2016)
- Amendments to IFRS 2 titled Classification and Measurement of Share-based Payment Transactions (issued in June 2016)

***Amendments to existing standards:***

- Amendments to IFRS 4 titled Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (issued in September 2016)

**v) New and amended standards, and interpretations issued but not yet effective and not early**

The Company has not applied the following new or amended pronouncements that have been issued by the IASB but are not yet effective for the financial year beginning on 1 January 2018.

The management anticipates that the new standards and amendments will be adopted in the Company statements when they become effective. The Company has assessed, where practicable, the potential effect of all these new standards and amendments that will be effective in future periods.

***New standards:***

- IFRS 16 Leases (effective from 1 January 2019)
- IFRS 17 Insurance Contracts (effective from 1 January 2021)

***New interpretations:***

- IFRIC 23 Uncertainty over Income Tax Treatments (effective from 1 January 2019)

***Amendments to existing standards:***

- Amendments to IFRS 9 titled Prepayment Features with Negative Compensation (effective from 1 January 2019)
- Amendments to IFRS 10 and IAS 28 titled Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (available for optional adoption / effective date deferred indefinitely)
- Amendments to IAS 19 titled Plan Amendment, Curtailment or Settlement (effective from 1 January 2019)
- Amendments to IAS 28 titled Long-term Interests in Associates and Joint Ventures (effective from 1 January 2019)
- Annual Improvements to IFRS Standards 2015–2017 Cycle – various standards (effective from 1 January 2019)
- Amendments to References to Conceptual Framework in IFRS Standards (effective from 1 January 2020)

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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### 3.2 Summary of significant accounting policies

A summary of the significant accounting policies, which have been applied consistently in the preparation of these financial statements, is set out below.

#### a) *Revenue recognition*

IFRS 15 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

*Revenue from contracts with customers:*

- Step 1. *Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.*
- Step 2. *Identify the performance obligations in the contract; A performance obligation in a contract is a promise to transfer a good or service to the customer.*
- Step 3. *Determine the transaction price; Transaction price is the amount of consideration to which the Establishment expects to be entitled in exchange for transferring the promised goods and services to a customer, excluding amounts collected on behalf of third parties.*
- Step 4. *Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Establishment expects to be entitled in exchange for satisfying each performance obligation.*
- Step 5. *Recognise revenue as and when the Establishment satisfies a performance obligation.*

In cases where the Company determined the performance obligations are satisfied at a point in time, revenue is recognised when control over the assets is transferred to the customer.

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment excluding taxes and duties. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent and has concluded that it is acting as a principal in all of its revenue arrangements.

#### b) *Financial instruments*

***Classification and measurement of financial assets:***

Financial assets are classified, at initial recognition as measured at (a) amortised cost; (b) Fair Value through Other Comprehensive Income (FVOCI); or (c) Fair Value through Profit or Loss (FVTPL).

***Derecognition of financial assets:***

A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired; and (ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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*Impairment of financial assets:*

IFRS 9 replaced the incurred loss model followed under IAS 39 with a forward looking expected credit loss (ECL) model. For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

***Classification and measurement of financial liabilities:***

Financial liabilities are classified, at initial recognition as measured at (a) financial liabilities at FVTPL; or (b) at amortised cost; or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, wherever applicable.

*Derecognition of financial liabilities:*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender with 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.

**c) *Offsetting of financial instruments:***

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

**d) *Fair value measurement:***

The Company measures financial instruments, such as investment in securities and hedges, at fair value at each statement of financial position date.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- *Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.*
- *Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).*
- *Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).*

Transfers between levels of the fair value hierarchy are recognised by the Company at the end of the reporting period during which the change occurred.

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NOTES TO THE FINANCIAL STATEMENTS  
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e) ***Current versus non-current classification***

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

- *Expected to be realized or intended to be sold or consumed in normal operating cycle;*
- *Held primarily for the purpose of trading;*
- *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 classified as current when:

It is expected to be settled in normal operating cycle;

- *It is held primarily for the purpose of trading;*
- *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.*

All other liabilities are classified as non-current.

f) ***Trade and other receivables***

Trade and other receivables are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method, less any impairment losses. An impairment allowance is calculated using the ECL approach as defined in IFRS 9. Bad debts are written off when there is no possibility of recovery.

Trade and other receivables are confirmed by management through Management Representation Letter (MRL) and these are good and recoverable in the opinion of the management.

g) ***Cash and cash equivalents***

For the purpose of presenting in the statement of cash flows, cash and cash equivalents include cash on hand, and cash with banks only in current accounts.

h) ***Equity***

Ordinary shares are classified as equity. The considerations received are shown in equity after deduction of incremental costs directly attributable to the issue of shares.

i) ***Employees' end of service benefits***

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



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j) **Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within the required time. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other payables are confirmed by management through Management Representation Letter (MRL) and these are good and payables in the opinion of the management.

k) **Inventories**

Inventories are valued at the lower of cost and/or estimated net realizable value. Costs are those expenses incurred in bringing finished product to its present location. Costs of inventories comprises of purchase price, import duties and other taxes (except those which are recoverable from taxing authorities), transportation and handling costs and other costs directly attributable to the acquisition of the finished goods. Trade discounts and rebates from suppliers are deducted in determining the cost of purchase.

l) **Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

m) **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 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.

n) **Operating leases**

Leases, where a significant portion of risks and rewards of ownership are retained by the lessor, are classified as operating leases. Lease rental charges, including advance rentals in respect of operating leases, are charged to statement of comprehensive income on a straight-line basis over the period of the lease.

o) **Foreign currency transaction and translation**

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies at the period-end are translated at exchange rates prevailing at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rate at the date of transaction. Exchange differences are included in combined statement of comprehensive income for the period.

p) **Significant accounting judgements, estimates and assumptions**

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingencies and commitments at the reporting date. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

**PANOL INDUSTRIES RMC FZE**  
**RAK MARITIME CITY**  
**RAS AL KHAIMAH - UNITED ARAB EMIRATES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**4 PROPERTY, PLANT AND EQUIPMENT**

	Factory Building	Plant and Machinery	Motor Vehicles	Office Equipments	Furniture and Fixtures	Laboratory Equipments	Total
	AED	AED	AED	AED	AED	AED	AED
<b>Cost</b>							
As at 01 April 2020	16,130,472	21,459,621	387,303	167,608	22,035	45,224	38,212,263
Addition / ( deletion)	276,275	2,387,254	133,712	5,317	-	-	2,802,558
<b>As at 31 March 2021</b>	<b>16,406,747</b>	<b>23,846,875</b>	<b>521,015</b>	<b>172,925</b>	<b>22,035</b>	<b>45,224</b>	<b>41,014,821</b>
<b>Accumulated depreciation</b>							
As at 01 April 2020	1,676,582	3,638,723	177,462	49,999	9,867	21,105	5,573,738
Charge for the year	420,428	818,866	56,523	30,477	2,092	4,296	1,332,682
<b>As at 31 March 2021</b>	<b>2,097,010</b>	<b>4,457,589</b>	<b>233,985</b>	<b>80,476</b>	<b>11,959</b>	<b>25,401</b>	<b>6,906,420</b>
<b>Net book value</b>							
<b>As at 31 March 2021</b>	<b>14,309,737</b>	<b>19,389,286</b>	<b>287,030</b>	<b>92,449</b>	<b>10,076</b>	<b>19,823</b>	<b>34,108,401</b>
As at 31 March 2020	14,453,890	17,820,898	209,841	117,609	12,168	24,119	32,638,525



**PANOL INDUSTRIES RMC FZE**  
**RAK MARITIME CITY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**



	31/03/2021 AED	31/03/2020 AED
<b>5 CASH AND CASH EQUIVALENTS</b>		
Cash in Hand and Cash at Bank	14,507,456	177,288
	<u>14,507,456</u>	<u>177,288</u>
<b>6 INVENTORIES</b>		
Inventories	52,804,512	30,208,207
	<u>52,804,512</u>	<u>30,208,207</u>
<b>7 TRADE RECEIVABLES</b>		
Trade Receivables	15,228,349	29,562,597
	<u>15,228,349</u>	<u>29,562,597</u>
<b>8 ADVANCES, DEPOSITS AND PREPAYMENTS</b>		
Prepaid Expenses	131,179	115,962
Interest Receivable on Fixed Deposits	4,293	22,927
Advances to Supplier	826,853	685,903
Deposits	1,069,286	89,730
Other Receivables	1,851,809	3,422,899
	<u>3,883,420</u>	<u>4,337,421</u>
<b>9 TRADE PAYABLES</b>		
Trade Payables	24,448,997	18,136,870
	<u>24,448,997</u>	<u>18,136,870</u>
<b>10 OTHER ACCOUNTS PAYABLE</b>		
Payable to Holding company	42,205	56,790
Advance Received Against Orders	6,307,339	87,501
Accrued Salaries and Wages	88,600	23,300
Other Payables	7,500	7,500
	<u>6,445,644</u>	<u>175,091</u>
<b>11 SHORT TERM BORROWINGS</b>		
Secured Borrowings	28,783,852	24,073,552
	<u>28,783,852</u>	<u>24,073,552</u>
<b>12 SALES</b>		
Net Sales	121,626,159	98,098,735
	<u>121,626,159</u>	<u>98,098,735</u>
<b>13 COST OF REVENUE</b>		
Opening inventory	30,208,207	38,628,526
Purchases include direct expenses	121,906,760	71,844,596
Closing inventory	(52,804,512)	(30,208,207)
	<u>99,310,455</u>	<u>80,264,915</u>

**PANOL INDUSTRIES RMC FZE**  
**RAK MARITIME CITY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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	31/03/2021 AED	31/03/2020 AED
<b>14 OPERATING AND ADMINISTRATIVE EXPENSES</b>		
Salaries and Benefits	595,985	377,674
Legal, Professional and Visa Charges	768,681	804,439
Rent, Rates and Taxes	360,275	360,769
Travelling and Conveyance	165,606	125,844
Power and Fuel	243,809	278,030
Water Charges	65,749	42,332
Brokerage and Commission	3,404,085	621,193
Telephone and Courier Charges	14,451	30,203
Insurance	216,068	222,904
Business Promotion	21,371	927
Repair and Maintenance	228,195	282,232
Clearing & Forwarding Expenses	6,765,498	7,623,834
Bad debts	-	624,417
Other Expenses	55,735	66,733
	<u>12,905,508</u>	<u>11,461,531</u>
<b>15 FINANCIALS CHARGES</b>		
Interest Expense	1,059,648	1,656,989
Bank Charges	505,515	465,992
	<u>1,565,163</u>	<u>2,122,981</u>

**16 FINANCIAL RISK MANAGEMENT**

The primary risks to which the business is exposed comprise credit, currency and liquidity and cash flow interest rate risks.

***i- Credit risk***

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The credit risk on liquid funds is limited because the counter parties are banks which are registered in the United Arab Emirates. The Company is not exposed to any other credit risk.

***ii- Currency risk***

There are no significant exchange rate risk as substantially all financial assets and liabilities are denominated in AED.

***iii- Liquidity risk***

The Establishment limits its liquidity risk by ensuring sufficient cash and bank current and term deposit balances are held. At present, the Entity expects to pay all other liabilities at their contractual maturity and it expects to generate sufficient cash flows to do so.

***iv- Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates.

PANOL INDUSTRIES RMC FZE  
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NOTES TO THE FINANCIAL STATEMENTS  
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**17 FAIR VALUE**

Financial assets include: cash and cash equivalents. Financial liabilities include accrued expenses. The fair values of financial instruments are not materially different from their carrying value.

**18 CAPITAL COMMITMENTS**

There are no material capital commitments at the reporting date.

**19 CONTINGENT LIABILITIES**

There has been no known contingent liabilities on Entity's financial statements as of reporting date.

*The accounting policies and notes on pages 7 - 16 form an integral part of these financial statements.*

*The independent auditors' report is set forth on page 1 - 2.*

*The accompanying financial statements have been approved and signed by the undersigned on 16-May-2021.*

***For and on the behalf of :- PANOL INDUSTRIES RMC FZE***



Authorized signatory

