

AAT GLOBAL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

Sky Best CPA Limited

Certified Public Accountants (Practising)

天佳會計師事務所有限公司

AAT GLOBAL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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(Expressed in US Dollars)

AAT GLOBAL LIMITED
DIRECTORS' REPORT

The Directors present their report and the financial statements of the AAT Global Limited for the financial year ended 31st March 2021.

Directors

The names of person who were the directors of the Company during the year beginning with the end of the financial year and ending on the date of this report are as follow:

Agarwal Kamlesh Kumar	
Malkan Bijal	(Resigned on 02 Feb 2021)
Malkan Kalpaj Chandrakant	(Appointed on 02 Feb 2021)
Dey Santimoy	

Principal activities

The Company's principal activities are set out in note 1(b) to financial statements.

Permitted indemnity provision

At no time during the financial period were there any permitted indemnity provisions in force for the benefit of one or more directors of the Company.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Company.

Business review

The Company falls within reporting exemption for the reporting period under section 359(1) of the Hong Kong Companies Ordinance. Accordingly, the Company is exempted from preparing a business review for this financial year.

Directors' review

At no time during the financial year or at the end of the financial year was the Company, its parent company or a fellow subsidiary a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

In the opinion of the Directors, no directors or shadow directors, if any, had material interests in those significant transactions, arrangements or contracts in relation to the Company's business entered into by the Company, its parent company or a fellow subsidiary in the financial year of subsisted at any time in the financial year.

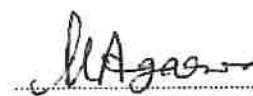
Recommended dividends

The Directors do not recommend the payment of dividend for the financial year.

Approval of directors' report

This report was approved by the Directors on 08 JUN 2021

On behalf of the Directors.


Agarwal Kamlesh Kumar

Director

Hong Kong

08 JUN 2021





Sky Best CPA Limited

Certified Public Accountants (Practising)

天佳會計師事務所有限公司

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AAT GLOBAL LIMITED**

(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of AAT Global Limited ("the company") set out on pages 4 to 23, which comprise the statement of financial position as at 31st March 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, the financial statements give a true and fair view of the financial position of the company as at 31st March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by Hong Kong Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the director's report set out on page 1, but 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 conclusion thereon.

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. If, based on the work we have performed, 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 Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



Sky Best CPA Limited

Certified Public Accountants (Practising)

天佳會計師事務所有限公司

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AAT GLOBAL LIMITED**

(Incorporated in Hong Kong with limited liability)

(Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Sky Best CPA Limited

Certified Public Accountants (Practising)

JIU Pui Hong

Practising number (P02259)

Hong Kong

08 JUN 2021

Unit 2307, 23/F, Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Hong Kong.


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AAT GLOBAL LTD
Standalone Balance Sheet as at 31 March 2021

		USD	USD	USD	USD	USD
		Qtr	Qtr	Qtr	YTD	YTD
	Note	31.03.2021	31.12.2020	31.03.2020	31.3.2021	31.03.2020
ASSETS						
(1) Non-current assets						
(a) Financial assets						
	4, 23	-	-	-	-	-
	5, 23	-	-	-	-	-
Total non-current assets		-	-	-	-	-
(2) Current assets						
(a) Inventories						
	6	-	-	9,183,320	-	9,183,320
(b) Financial assets						
	7	-	-	-	-	-
	8	240,099	201,733	225,003	240,099	225,003
	9, 23	-	-	-	-	-
	10	4,080,644	3,539,299	3,679,337	4,080,644	3,679,337
Total current assets		4,320,743	3,741,032	13,087,660	4,320,743	13,087,660
TOTAL ASSETS		4,320,743	3,741,032	13,087,660	4,320,743	13,087,660
EQUITY AND LIABILITIES						
Equity						
(a) Equity share capital						
	11	9,141,882	9,141,882	9,141,882	9,141,882	9,141,882
(b) Other equity						
	12	(17,249,514)	(17,165,403)	(17,792,512)	(17,249,514)	(17,792,512)
Total equity		(8,107,632)	(8,023,521)	(8,650,630)	(8,107,632)	(8,650,630)
Liabilities						
(1) Non-current liabilities						
(a) Financial liabilities						
	13	9,409,215	9,409,215	9,409,215	9,409,215	9,409,215
Total non-current liabilities		9,409,215	9,409,215	9,409,215	9,409,215	9,409,215
(2) Current liabilities						
(a) Financial liabilities						
	14	181,286	74,292	1,701,090	181,286	1,701,090
	15	2,837,874	2,281,046	10,627,985	2,837,874	10,627,985
Total current liabilities		3,019,160	2,355,338	12,329,075	3,019,160	12,329,075
TOTAL EQUITY AND LIABILITIES		4,320,743	3,741,032	13,087,660	4,320,743	13,087,660

On behalf of Directors


Agarwal Kamlesh Kumar
Director




Malkaa Kalpaj Chandrakant
Director

The accompanying notes form an integral part of the Standalone financial statements.



AAT GLOBAL LTD
Standalone Statement of Profit and Loss for the period ended 31st March 2021

		USD	USD	USD	USD	USD
		Qtr	Qtr	Qtr	YTD	YTD
	Note	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
I. Revenue from operations	16	211,578	7,393,006	191,448	30,375,741	38,261,683
II. Other income	17	-	-	(167,517)	-	-
III. Total income (I + II)		211,578	7,393,006	23,932	30,375,741	38,261,683
IV. Expenses						
Purchase of stock in trade	18	157,003	7,324,190	9,307,572	20,372,585	47,217,561
Changes in inventories of finished goods and work-in-progress	19	-	-	(9,115,320)	9,183,320	(9,183,320)
Employee Benefit Expenses	20	13,735	13,632	12,899	53,155	51,700
Finance costs	21	485	657	(401,104)	6,489	29,040
Net Foreign Exchange Loss/(Gain)		54	69	(284,055)	289	27,674
Other expenses	22	124,412	22,890	82,109	216,906	236,434
Total expenses		295,689	7,361,438	(397,599)	29,832,743	38,379,089
V. Profit before tax before exceptional item (III-IV)		(84,111)	31,568	421,531	542,998	(117,406)
VI. Exceptional item						
Provision for Impairment	23	-	-	16,694,560	-	16,694,560
VII. Profit before tax after exceptional item (V-VI)		(84,111)	31,568	(16,273,029)	542,998	(16,811,966)
VIII. Tax expenses						
Income tax expenses	26	-	-	-	-	-
IX. Profit for the year (VII-VIII)		(84,111)	31,568	(16,273,029)	542,998	(16,811,966)
X. Other comprehensive income for the year		-	-	-	-	-
XI. Total comprehensive income for the year (IX+X)		(84,111)	31,568	(16,273,029)	542,998	(16,811,966)
XII. Earnings per equity share						
- Basic		(0.001)	0.000	(0.230)	0.008	(0.238)
- Diluted		(0.001)	0.000	(0.230)	0.008	(0.238)



Particulars	Note	USD	
		Number	Amount
Balance as at 31 Mar 2019		70,783,680	9,141,882
Changes in equity share capital during the period			
Balance as at 30 June 2019		70,783,680	9,141,882
Changes in equity share capital during the period			
Balance as at 30 Sep 2019		70,783,680	9,141,882
Changes in equity share capital during the period			
Balance as at 31 Dec 2019		70,783,680	9,141,882
Changes in equity share capital during the period			
Balance as at 31 Mar 2020		70,783,680	9,141,882
Changes in equity share capital during the period			
Balance as at 30 June 2020		70,783,680	9,141,882
Changes in equity share capital during the period			
Balance as at 30 Sep 2020		70,783,680	9,141,882
Changes in equity share capital during the period			
Balance as at 31 Dec 2020		70,783,680	9,141,882
Changes in equity share capital during the period			
Balance as at 31 March 2021		70,783,680	9,141,882

Particulars	Note	USD		USD	USD	USD
		Reserves and surplus	Items of Other comprehensive income	Equity instruments through other comprehensive income	Total	
		Retained earnings	Remeasurement of defined benefit plan	Effective portion of cash flow hedge		
Balance at 1st Jan 2021		(17,165,403)				(17,165,403)
Total comprehensive income during the period						
Profit for the period		(84,111)				(84,111)
Other comprehensive income for the period						
Total comprehensive income for the period		(84,111)				(84,111)
Dividends (including corporate dividend tax)						-
Fair value changes on derivatives designated as cash flow hedge						-
Share based payments- Equity settled						-
Transfer from debenture redemption reserve						-
Transfer to debenture redemption reserve						-
Balance at 31 March 2021		(17,249,514)				(17,249,514)



AAT GLOBAL LTD

Standalone Statement of Changes in Equity for the Period ended 31st March 2021

Particulars	Note	USD				Total
		Reserves and surplus	Items of Other comprehensive income			
		Retained earnings	Remeasurement of defined benefit plan	Effective portion of cash flow hedge	Equity instruments through other comprehensive income	
Balance at 1st Oct 2020		(17,196,971)				(17,196,971)
Total comprehensive income during the period						
Profit for the period		31,568				31,568
Other comprehensive income for the period						
Total comprehensive income for the period		31,568				31,568
Dividends (including corporate dividend tax)						-
Transfer from debenture redemption reserve						-
Transfer to debenture redemption reserve						-
Balance at 31st Dec 2020		(17,165,403)				(17,165,403)

AAT GLOBAL LTD

Standalone Statement of Changes in Equity for the Period ended 31st March 2021

Particulars	Note	USD				Total
		Reserves and surplus	Items of Other comprehensive income			
		Retained earnings	Remeasurement of defined benefit plan	Effective portion of cash flow hedge	Equity instruments through other comprehensive income	
Balance at 1st Jan 2020		(1,519,483)				(1,519,483)
Total comprehensive income during the period						
Profit for the period		(16,273,029)				(16,273,029)
Other comprehensive income for the period						
Total comprehensive income for the period		(16,273,029)				(16,273,029)
Dividends (including corporate dividend tax)						-
Transfer from debenture redemption reserve						-
Transfer to debenture redemption reserve						-
Balance at 31st Mar 2020		(17,792,512)				(17,792,512)



AAT GLOBAL LTD

Standalone Statement of Changes in Equity for the Period ended 31st March 2021

Particulars	Note	USD	USD	USD	USD	USD
		Reserves and surplus	Items of Other comprehensive income			Equity instruments through other comprehensive income
		Retained earnings	Remeasurement of defined benefit plan	Effective portion of cash flow hedge		
Balance at 1 April 2020		(17,792,512)				(17,792,512)
Total comprehensive income during the period						
Profit for the period		542,998				542,998
Other comprehensive income for the period						
Total comprehensive income for the period		542,998				542,998
Dividends (including corporate dividend tax)						-
Securities issue expenses						-
Fair value changes on derivatives designated as cash flow hedge						-
Share based payments- Equity settled						-
Transfer from debenture redemption reserve						-
Transfer to debenture redemption reserve						-
Balance at 31 March 2021		(17,249,514)				(17,249,514)

AAT GLOBAL LTD

Standalone Statement of Changes in Equity for the Period ended 31st March 2021

Particulars	Note	USD	USD	USD	USD	USD
		Reserves and surplus	Items of Other comprehensive income			Equity instruments through other comprehensive income
		Retained earnings	Remeasurement of defined benefit plan	Effective portion of cash flow hedge		
Balance at 1 April 2019		(980,546)				(980,546)
Total comprehensive income during the period						
Profit for the period		(16,811,966)				(16,811,966)
Other comprehensive income for the period						
Total comprehensive income for the period		(16,811,966)				(16,811,966)
Dividends (including corporate dividend tax)						-
Securities issue expenses						-
Fair value changes on derivatives designated as cash flow hedge						-
Share based payments- Equity settled						-
Transfer from debenture redemption reserve						-
Transfer to debenture redemption reserve						-
Balance at 31st Mar 2020		(17,792,512)				(17,792,512)

The accompanying notes form an integral part of the standalone financial statements.



AAT GLOBAL LTD

Cash Flow Statement for the period					
	Particulars	USD	USD	USD	USD
		31.03.2021 Qtr Ended	31.12.2020 Qtr Ended	31.03.2020 Qtr Ended	31.03.2021 Year Ended
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before Tax	(84,111)	31,568	(16,273,029)	542,998
	Adjustments for:				
	Finance costs	-	-	(411,532)	-
	Non cash adjustment - Impairment	-	-	16,589,400	-
	Operating Cash Flow before Working Capital changes	(84,111)	31,568	(95,162)	542,998
	Adjustments for:				
	(Increase)/Decrease in Inventories	-	-	(9,115,320)	9,183,320
	(Increase)/Decrease in Trade Receivables	-	-	-	-
	Advances	(541,344)	(421)	(162,525)	(401,307)
	Increase/(Decrease) in Trade payables	106,994	36,741	(3,920,991)	(1,519,804)
	Increase/(Decrease) in Other Current Liabilities	556,828	78,762	9,669,778	(7,790,111)
	Cash Generated from operations	38,366	146,650	(3,624,220)	15,096
	Net Cash inflow From operating Activities	38,366	146,650	(3,624,220)	15,096
B.	CASH FLOW FROM INVESTING ACTIVITIES				
		-	-	-	-
C.	CASH FLOW FROM FINANCING ACTIVITIES				
		-	-	-	-
	Net increase in Cash /Cash Equivalents	38,366	146,650	(3,624,220)	15,096
	Cash/Cash Equivalents at the beginning of the year	201,733	55,083	3,849,222	225,003
	Cash /Cash Equivalents at the end of the year	240,099	201,733	225,003	240,099



AAT GLOBAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

1. General Information

(a) Definition

In these reporting documents, the following terms shall have the following meanings:

The Company	AAT Global Limited
The Directors	all of the directors of the Company
Hong Kong Companies Ordinance	Hong Kong Companies Ordinance (Cap. 622) which came into operation on 3rd March 2014
Predecessor Companies Ordinance	Predecessor Hong Kong Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of the Hong Kong Companies Ordinance
HKICPA	Hong Kong Institute of Certified Public Accountants
HKFRS for PE	Hong Kong Financial Reporting Standard for Private Entities issued by HKICPA
HKFRS	Hong Kong Financial Reporting Standard issued by HKICPA
Cash equivalents	short-term, highly liquid investments those are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value
Fair value	amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction
Related company	a company in which one or more related parties have beneficial interests thereon or are in a position to exercise significant influence

(b) Corporate Information

The Company is a company incorporated in Hong Kong under Predecessor Companies Ordinance with limited liability. At the date of issue of these financial statements, the registered office of the Company is located at Suite 1101, 11/F., Supreme House, 2A Hart Avenue, Tsim Sha Tsui, Hong Kong.

The Company's principal activities are engaged in trading and investment in subsidiary.

(c) Presentation currency

Unless stated otherwise, all currency figures in these financial statements are presented in United States Dollars (US\$).

2. Basis of Preparation

(a) Statement of Compliance

The Company incurred loss for the year. At the end of reporting period, the total liabilities of the Company exceeded its total assets and the Company's equity was in deficit. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. In preparing the financial statements, the Directors have given careful consideration to the current and future liquidity of the Company. The Directors have gained the commitment of the Company's shareholders to provide continued financial support to the Company. On the basis that continued financial support will be provided by the Company's shareholders to the Company upon request, the Directors are of their opinion that the Company will have sufficient working capital to finance its operations in the foreseeable future. Accordingly, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

In this regard, the financial statements have been prepared on the basis that the Company is a going concern under the accrual basis of accounting in accordance with all applicable sections of HKFRS for PE.



AAT GLOBAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

2. Basis of Preparation (Cont'd)

(b) Reporting exemption

The Company falls within reporting exemption for the reporting period under section 359(1) of the Hong Kong Companies Ordinance. Nevertheless, the Directors resolved not to take advantage of the reporting exemption and these financial statements comply with HKFRS for PE. The Directors have acknowledged that, to achieve fair presentation of the financial statements, it may be necessary for management to provide disclosures beyond those specifically required by HKFRS for PE.

(c) Basis of Measurement

The measurement bases used in preparing these financial statements are set out in note 3 to financial statements.

3. Summary of Significant Accounting Policies

These financial statements present financial information of the Company. The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements.

(a) Revenue

Revenue consists of turnover and other revenue but excludes the reversal of impairment. Turnover comprises revenue generated from the principal activities of the Company. Other revenue includes exchange gain (net of exchange loss), gain on disposal of capital assets and reversal of provisions.

Revenue is recognised as income when it is probable that the economic benefits associated with transaction will flow to the Company and when the amount of revenue as well as costs incurred for the transaction can be measured reliably. Revenue is measured at fair value of the consideration received or receivable and is shown net of discounts, rebates, returns and sales-related taxes on the following bases.

Sale of goods is recognised when the goods are delivered and the significant risks and rewards of ownership have been passed to the buyer and the Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold.

Interest income is recognised using the effective interest method on a time proportion basis taking into account the principal outstanding and the interest applicable.

(b) Borrowing Costs

Borrowing costs include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance charges in respect of finance leases and exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are recognised as an expense in the period in which they are incurred.

(c) Foreign currency transactions

The functional currency of the Company is United States Dollar. Foreign currency transactions are translated into the functional currency at the approximate rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of reporting period are translated at the approximate rates of exchange ruling at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated using the exchange rates at that date when the fair value was determined. Exchange differences arising on the settlement or translation of foreign currency monetary items are recognised in profit or loss. However, exchange differences relating to a gain or loss on a non-monetary item that is recognised in other comprehensive income is recognised in other comprehensive income too.



AAT GLOBAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

3. Summary of Significant Accounting Policies (Cont'd)

(d) Income Tax

Income tax comprises current tax and deferred tax.

Current tax is measured based on estimated taxable profit for the year.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases using in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, except to the extent that the deferred tax liabilities arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of an asset or liability in a transaction that affects neither accounting profit nor taxable profit or tax loss. The measurement of deferred tax liabilities associated with an investment property measured at fair value shall not exceed the amount of tax that would be payable on its sales to an unrelated market participant at fair value at the end of reporting period. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such deferred tax assets are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset and liability in a transaction that affects neither the accounting profit nor the taxable profit or tax loss.

The net carrying amount of deferred tax assets is reviewed at the end of each reporting period and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Current and deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(e) Impairment of Financial and Non-Financial Assets

At the end of each reporting period, assets other than financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is any indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is less than the carrying amount, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(f) Trade and other receivables

Trade and other receivables are measured at initial recognition at transaction price (including transaction costs) and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

(g) Components of cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are also included as a component of cash and cash equivalents for the statement of cash flows.



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3. Summary of Significant Accounting Policies (Cont'd)

(h) Trade and other payables

Trade and other payables are measured at initial recognition at the transaction price (including transaction costs) and subsequently measured at amortised cost using the effective interest method.

(i) Borrowings

Borrowings are measured at initial recognition at the transaction price and are subsequently measured at amortised cost. All borrowings are classified as current liabilities unless the Company has a pre-defined repayment schedule or an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Interest expense is recognised on the basis of the effective interest method and is recognised in profit or loss.

When the borrowing agreement contains clause that gives the lender unconditional right to demand repayment at any time disregarding the pre-defined repayment schedule, the borrowing is classified as a current liability in the statement of financial position irrespective of the probability that the lender will invoke the clause without cause.

(j) Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

(k) Related Companies

Companies over which members of key management of the Company are able to exercise control or significant influence are considered to be related.

USD	USD	USD	USD	USD
Qtr	Qtr	Qtr	YTD	YTD
31.03.2021	31.12.2020	31.03.2020	31.3.2021	31.03.2020

4. Investments

Non-current investments
(Fully paid, unless otherwise stated)

Unquoted Share (at Cost)	7,007,141	7,007,141	7,007,141	7,007,141	7,007,141
Less:- Provision for Impairment Loss	(7,007,141)	(7,007,141)	(7,007,141)	(7,007,141)	(7,007,141)
Total	-	-	-	-	-



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5. Loans	USD	USD	USD	USD	USD
	Qtr 31.03.2021	Qtr 31.12.2020	Qtr 31.03.2020	YTD 31.3.2021	YTD 31.03.2020
<i>(Unsecured, interest-bearing)</i>					
Non-current					
To related party - subsidiary					
Loan given to Shandong Dawn Himadri Chemical Industry Ltd	7,717,640	7,717,640	7,717,640	7,717,640	7,717,640
Less:- Provision for Impairment Loss	(7,717,640)	(7,717,640)	(7,717,640)	(7,717,640)	(7,717,640)
	-	-	-	-	-

The loan is unsecured and is repayable after 3 years from the date of the addendum to loan agreement dated 15.01.2021.

6. Inventories	USD	USD	USD	USD	USD
	Qtr 31.03.2021	Qtr 31.12.2020	Qtr 31.03.2020	YTD 31.3.2021	YTD 31.03.2020
<i>(Valued at the lower of cost and net realisable value)</i>					
Stock in trade	-	-	9,183,320	-	9,183,320
	-	-	9,183,320	-	9,183,320

7. Trade receivables	USD	USD	USD	USD	USD
	Qtr 31.03.2021	Qtr 31.12.2020	Qtr 31.03.2020	YTD 31.3.2021	YTD 31.03.2020
Trade receivable considered good - secured	-	-	-	-	-
Trade receivable considered good - unsecured	-	-	-	-	-
Trade receivable doubtful debts - unsecured	-	-	-	-	-
Less: Allowances for unsecured doubtful debts	-	-	-	-	-
Non-current	-	-	-	-	-
Current	-	-	-	-	-

8. Cash and cash equivalents	USD	USD	USD	USD	USD
	Qtr 31.03.2021	Qtr 31.12.2020	Qtr 31.03.2020	YTD 31.3.2021	YTD 31.03.2020
Cash on hand	-	-	-	-	-
Balances with banks					
- On current accounts	240,099	201,733	225,003	240,099	225,003
	240,099	201,733	225,003	240,099	225,003

9. Loans	USD	USD	USD	USD	USD
	Qtr 31.03.2021	Qtr 31.12.2020	Qtr 31.03.2020	YTD 31.3.2021	YTD 31.03.2020
<i>(Unsecured, non-interest bearing)</i>					
Current					
To related party - subsidiary					
Loan given to Shandong Dawn Himadri Chemical Industry Ltd (Interest Free)	1,969,779	1,969,779	1,969,779	1,969,779	1,969,779
Less:- Provision for Impairment	(1,969,779)	(1,969,779)	(1,969,779)	(1,969,779)	(1,969,779)
	-	-	-	-	-



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10. Other current assets <i>(Unsecured considered good unless otherwise stated)</i>	USD	USD	USD	USD	USD
	Qtr 31.03.2021	Qtr 31.12.2020	Qtr 31.03.2020	YTD 31.3.2021	YTD 31.03.2020
Advances for supplies					
Unsecured, considered good	4,064,009	3,521,308	3,662,747	4,064,009	3,662,747
Unsecured, considered doubtful	-	-	-	-	-
	<u>4,064,009</u>	<u>3,521,308</u>	<u>3,662,747</u>	<u>4,064,009</u>	<u>3,662,747</u>
Less: Allowances for unsecured doubtful advances	-	-	-	-	-
	<u>4,064,009</u>	<u>3,521,308</u>	<u>3,662,747</u>	<u>4,064,009</u>	<u>3,662,747</u>
Other Receivable - non related parties					
Advance to Creditors-Expenses	13,335	13,335	13,335	13,335	13,335
Prepaid Exp	3,300	4,656	3,255	3,300	3,255
Advance to Holding Company	-	-	-	-	-
TOTAL	<u>4,080,644</u>	<u>3,539,299</u>	<u>3,679,337</u>	<u>4,080,644</u>	<u>3,679,337</u>
11. Equity share capital	USD	USD	USD	USD	USD
	Qtr 31.03.2021	Qtr 31.12.2020	Qtr 31.03.2020	YTD 31.3.2021	YTD 31.03.2020
Issued, subscribed and fully paid-up 7,07,83,680 equity shares of HKD 1 each without par value	9,141,882	9,141,882	9,141,882	9,141,882	9,141,882
	<u>9,141,882</u>	<u>9,141,882</u>	<u>9,141,882</u>	<u>9,141,882</u>	<u>9,141,882</u>
12. Other Equity	USD	USD	USD	USD	USD
	Qtr 31.03.2021	Qtr 31.12.2020	Qtr 31.03.2020	YTD 31.3.2021	YTD 31.03.2020
Retained Earnings					
Opening Balance	(17,165,403)	(17,196,971)	(1,519,483)	(17,792,512)	(980,546)
Addition:-During the Period	(84,111)	31,568	(16,273,029)	542,998	(16,811,966)
Closing Balance	<u>(17,249,514)</u>	<u>(17,165,403)</u>	<u>(17,792,512)</u>	<u>(17,249,514)</u>	<u>(17,792,512)</u>
13. Borrowings	USD	USD	USD	USD	USD
	Qtr 31.03.2021	Qtr 31.12.2020	Qtr 31.03.2020	YTD 31.3.2021	YTD 31.03.2020
Non-current borrowings					
Unsecured					
From Related party					
Amount due to Holding Company	9,409,215	9,409,215	9,409,215	9,409,215	9,409,215
	<u>9,409,215</u>	<u>9,409,215</u>	<u>9,409,215</u>	<u>9,409,215</u>	<u>9,409,215</u>

The principal amount of loan together with interest accrued thereon shall be repaid in full by the borrower after 6 years from the date of the Addendum to the Loan Agreement dated 15.01.2018.



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14. Trade payables	USD	USD	USD	USD	USD
	Qtr 31.03.2021	Qtr 31.12.2020	Qtr 31.03.2020	YTD 31.3.2021	YTD 31.03.2020
Trade payable for goods and services	181,286	74,292	1,701,090	181,286	1,701,090
	<u>181,286</u>	<u>74,292</u>	<u>1,701,090</u>	<u>181,286</u>	<u>1,701,090</u>
Non-current	-	-	-	-	-
Current	181,286	74,292	1,701,090	181,286	1,701,090
	<u>181,286</u>	<u>74,292</u>	<u>1,701,090</u>	<u>181,286</u>	<u>1,701,090</u>
15. Other current liabilities	USD	USD	USD	USD	USD
	Qtr	Qtr	Qtr	YTD	YTD
	31.03.2021	31.12.2020	31.03.2020	31.3.2021	31.03.2020
Advance from Related party					
-Advance from Holding Co	2,837,874	2,281,046	10,627,985	2,837,874	10,627,985
	<u>2,837,874</u>	<u>2,281,046</u>	<u>10,627,985</u>	<u>2,837,874</u>	<u>10,627,985</u>
This amount is unsecured and interest free.					
16. Revenue from operations	USD	USD	USD	USD	USD
	Qtr	Qtr	Qtr	YTD	YTD
	31.03.2021	31.12.2020	31.03.2020	31.3.2021	31.03.2020
- Carbon materials and chemicals	211,578	7,393,006	191,448	30,375,741	38,261,683
Sale of products	211,578	7,393,006	191,448	30,375,741	38,261,683
Other operating revenue	-	-	-	-	-
- Other (including export incentive etc.)	-	-	-	-	-
Total other operating revenue (B)	<u>211,578</u>	<u>7,393,006</u>	<u>191,448</u>	<u>30,375,741</u>	<u>38,261,683</u>
Total revenue from operations					
Revenue disaggregation is as follows:					
(a) Type of goods					
- Carbon materials and chemicals	211,578	7,393,006	191,448	30,375,741	38,261,683
Total revenue from contracts with customers	211,578	7,393,006	191,448	30,375,741	38,261,683
(b) Geographical market					
India	211,578	7,393,006	191,448	30,375,741	38,261,683
Domestic	-	-	-	-	-
Export(Other than India)	-	-	-	-	-
Total revenue from contracts with customers	211,578	7,393,006	191,448	30,375,741	38,261,683
(c) Reconciliation of Revenue from sale of products with the contracted price					
Contracted price	211,578	7,393,006	191,448	30,375,741	38,261,683
Less: adjustment for variable consideration	-	-	-	-	-
	211,578	7,393,006	191,448	30,375,741	38,261,683
(d) Information about major customers					
Himadri Speciality Chemical Ltd	211,578	7,393,006	191,448	30,375,741	38,261,683
	211,578	7,393,006	191,448	30,375,741	38,261,683



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	USD	USD	USD	USD	USD
	Qtr	Qtr	Qtr	YTD	YTD
	31.03.2021	31.12.2020	31.03.2020	31.3.2021	31.03.2020
17. Other income					
Interest income under the effective interest method on:					
- From a related party:					
- On loan given to a subsidiary	-	-	(167,517)	-	-
Miscellaneous income	-	-	(167,517)	-	-
18. Purchase of Stock in Trade					
Purchase (including Direct Cost)	153,073	7,319,281	9,307,572	20,363,745	47,198,260
Commission on Purchase	3,931	4,910	-	8,840	19,301
	<u>157,003</u>	<u>7,324,190</u>	<u>9,307,572</u>	<u>20,372,585</u>	<u>47,217,561</u>
19. Change in inventories of finished goods and work-in-progress					
Opening inventories					
Finished goods	-	-	68,000	9,183,320	-
Closing inventories					
Finished goods	-	-	9,183,320	-	9,183,320
Change in inventories of finished goods	-	-	<u>(9,115,320)</u>	<u>9,183,320</u>	<u>(9,183,320)</u>
20. Employee Benefit Expenses					
Reimbursement of Support Fees	13,735	13,632	12,899	53,155	51,700
	<u>13,735</u>	<u>13,632</u>	<u>12,899</u>	<u>53,155</u>	<u>51,700</u>
21. Finance costs					
Interest expense on financial liabilities	-	-	-	-	-
-Interest paid to Holding Company	-	-	(411,532)	-	-
Bank Charges	485	657	10,428	6,489	29,040
	<u>485</u>	<u>657</u>	<u>(401,104)</u>	<u>6,489</u>	<u>29,040</u>



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22. Other expenses	USD	USD	USD	USD	USD
	Qtr 31.03.2021	Qtr 31.12.2020	Qtr 31.03.2020	YTD 31.3.2021	YTD 31.03.2020
Commission on Sale	-	-	-	-	675
Professional Service	122,657	19,812	78,167	206,998	211,600
Audit Fee	1,627	3,078	4,242	9,082	8,910
Postage and telegram	-	-	-	-	1,599
Travelling	-	-	-	-	13,063
Miscellaneous expenses	128	-	-	826	587
	<u>124,412</u>	<u>22,890</u>	<u>82,409</u>	<u>216,906</u>	<u>236,434</u>

23. Impairment Loss Provision

The company's subsidiary, i.e. Shandong Dawn Himadri Chemical Industry Limited, a company incorporated in the mainland China, was in deficit on its net worth. The recoverability of the company's equity investment and loans to this subsidiary were thus in doubt. For conservative basis, 100% impairment loss provision is levied on both investment and loans to subsidiary as follows:

Impairment Loss Provision on:-	USD	USD	USD	USD	USD
	Qtr 31.03.2021	Qtr 31.12.2020	Qtr 31.03.2020	YTD 31.3.2021	YTD 31.03.2020
Equity Investment	7,007,141	7,007,141	7,007,141	7,007,141	7,007,141
Loans - interest bearing	7,717,640	7,717,640	7,717,640	7,717,640	7,717,640
Loans - non interest bearing	1,969,779	1,969,779	1,969,779	1,969,779	1,969,779
	<u>16,694,560</u>	<u>16,694,560</u>	<u>16,694,560</u>	<u>16,694,560</u>	<u>16,694,560</u>

24. Directors' Remuneration, Loans and Other Material Interests

Remuneration of the directors (including former directors and shadow directors) of the Company disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:

Emoluments (including benefit in kind)	USD	USD	USD	USD	USD
	Qtr 31.03.2021	Qtr 31.12.2020	Qtr 31.03.2020	YTD 31.3.2021	YTD 31.03.2020
Acting as directors	-	-	-	-	-
Provision on management services	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

25. Auditor's Remuneration

Auditor's remuneration and expenses for the year disclosed pursuant to Part 2 of Schedule 4 of the Hong Kong Companies Ordinance are as follow:

Auditor's Remuneration	USD	USD	USD	USD	USD
	Qtr 31.03.2021	Qtr 31.12.2020	Qtr 31.03.2020	YTD 31.3.2021	YTD 31.03.2020
Auditor's Remuneration	1,627	3,078	4,242	9,082	8,910
Auditor's Expenses	-	-	-	-	-
	<u>1,627</u>	<u>3,078</u>	<u>4,242</u>	<u>9,082</u>	<u>8,910</u>



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26. Income Tax Expenses

No provision for Hong Kong profits tax has been made as the Company has accumulated losses brought forward from last year to offset current year taxable profit (2020: NIL).

No provision for deferred liabilities has been made as the effect of all temporary difference is immaterial.

No deferred tax assets were recognised as their realisation was remote.

27. Related Party Disclosures

	USD Qtr 31.03.2021	USD Qtr 31.12.2020	USD Qtr 31.03.2020	USD YTD 31.3.2021	USD YTD 31.03.2020
Related Parties Transactions					
Good sold to holding company	211,578	7,393,006	191,448	30,375,741	38,261,683
Goods purchased from subsidiary	-	-	-	-	1,260,758
Interest paid to holding company	-	-	(411,532)	-	-
Interest received from subsidiary	-	-	(167,517)	-	-
Service Fee paid to subsidiary	13,735	13,632	12,899	53,155	51,700
Interest Free Loan to subsidiary	-	-	-	-	1,969,779
Provision for Impairment (Loan to Subsidiary)	-	-	7,717,640	-	7,717,640
Provision for Impairment (Investment in Subsidiary)	-	-	7,007,141	-	7,007,141
Provision for Impairment (Short Term Loan to Subsidiary)	-	-	1,969,779	-	1,969,779
Amounts due from related parties					
Subsidiary Company	3,563,571	3,259,921	3,299,341	3,563,571	3,299,341
Holding Company	-	-	-	-	-
	<u>3,563,571</u>	<u>3,259,921</u>	<u>3,299,341</u>	<u>3,563,571</u>	<u>3,299,341</u>
Amounts due to related parties					
Name of Borrower	USD Qtr 31.03.2021	USD Qtr 31.12.2020	USD Qtr 31.03.2020	Greatest outstanding USD	Provision USD
Shandong Dawn Himadi Chemical Industry Limited	3,563,571	3,259,921	3,299,341	3,563,571	-
Himadri Speciality Chemical Limited / Equal Commodal Private Limited	-	-	-	-	-
	<u>3,563,571</u>	<u>3,259,921</u>	<u>3,299,341</u>	<u>3,563,571</u>	<u>-</u>
Amounts due to related parties					
	USD Qtr 31.03.2021	USD Qtr 31.12.2020	USD Qtr 31.03.2020	USD YTD 31.3.2021	USD YTD 31.03.2020
Holding Company, - Loan	9,409,215	9,409,215	9,409,215	9,409,215	9,409,215
- Trade	2,837,874	2,281,046	10,627,985	2,837,874	10,627,985
	<u>12,247,089</u>	<u>11,690,261</u>	<u>20,037,200</u>	<u>12,247,089</u>	<u>20,037,200</u>

The amounts due to holding company US\$12,247,089 (31.3.2020: US\$20,037,200) is unsecured.



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28. Fair Value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

A. Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

As on 31 March 2021	Note No	Carrying value			
		Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI	Total carrying amount
Financial assets:					
Investment	4	-	-	-	-
Loans (Non Current)	5	-	-	-	-
Trade receivables	7	-	-	-	-
Cash and cash equivalents	8	240,099	-	-	240,099
Loans (Current)	9	-	-	-	-
Total		240,099	-	-	240,099
Financial liabilities:					
Borrowings	13	9,409,215	-	-	9,409,215
Trade payables	14	181,286	-	-	181,286
Total		9,590,501	-	-	9,590,501

Note - No Fair Value Measurement is applicable. Hence No disclosure of Level 1, 2, 3

As on 31 December 2020	Note No	Carrying value			
		Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI	Total carrying amount
Financial assets:					
Investment	4	-	-	-	-
Loans (Non Current)	5	-	-	-	-
Trade receivables	7	-	-	-	-
Cash and cash equivalents	8	201,733	-	-	201,733
Loans (Current)	9	-	-	-	-
Total		201,733	-	-	201,733
Financial liabilities:					
Borrowings	13	9,409,215	-	-	9,409,215
Trade payables	14	74,292	-	-	74,292
Total		9,483,507	-	-	9,483,507

Note - No Fair Value Measurement is applicable. Hence No disclosure of Level 1, 2, 3

As on 31 March 2020	Note No	Carrying value			
		Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI	Total carrying amount
Financial assets:					
Investment	4	-	-	-	-
Loans (Non Current)	5	-	-	-	-
Trade receivables	7	-	-	-	-
Cash and cash equivalents	8	225,003	-	-	225,003
Loans (Current)	9	-	-	-	-
Total		225,003	-	-	225,003
Financial liabilities:					
Borrowings	13	9,409,215	-	-	9,409,215
Trade payables	14	1,701,090	-	-	1,701,090
Total		11,110,305	-	-	11,110,305

Note - No Fair Value Measurement is applicable. Hence No disclosure of Level 1, 2, 3

The management assessed that trade receivables, cash and cash equivalent, bank balances other than cash and cash equivalent, loans, trade payable and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. The Company's borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such borrowings approximate fair value.

Other financial assets and liabilities

- Cash and Cash equivalents, trade receivables, investments in terms deposits, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

- Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

29. Financial risk management

The Company has No exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets include trade and other receivable, investments and cash and cash equivalents that derive directly from its operations.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The key risks and mitigating actions are also placed before the management of the Company.

The sources of risks which the Company is exposed to and their management is given below:

(i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers and loans. Credit arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Since the company mainly deals with its holding company and its investments mainly belongs to the subsidiary company, the Company is not exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivable

There is trade receivable of the company belonging to the holding co. All the sales are backed up with the contract and credit policy of the company and Since it is a holding company and all the sales made are on Advance basis or by the way of Supplier Credit proceed. Hence No such Credit Risk Exist

Exposure to credit risks

No such Risk as the Trade receivable is from holding company and all Investment are made in Subsidiary company

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The company doesnot have any borrowing from outside party and there is a regular flow of liquidity from its holding company for making payment to the suppliers towards procurement .

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

No such Risk as there are regular flow of payments from the parent company on account of revenue proceeds and the same is sufficient to cover all current liabilities



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(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

29. Financial risk management (Cont'd)

(a) Currency risk

Foreign currency risk is the risk impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company do not have exposure to the risk of changes in foreign exchange rates Since the functional currency is USD in which transactions are occurring in respect of procurement of goods & exports of goods.

Exposure to currency risk

There is No exposure to currency Risk as the Financial are made in USD and all the recievable and payable are in USD and Further the Bank balance maintained by the company is in USD .

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company donot have exposure to the risk of changes in market interest rates .The company has only borrowing from its holding company and the Interest rates are as per the agreed terms and condition.

Exposure to interest rate risk

There is no exposure to Interest Risk as the borrowing made are from Holding company and the Interest rate are fixed as per the Agreement and the Investment made are in Subsidiary company and The Interest Rates are fixed as per the Agreement .Hence There is No Interest Risk.

30. Segments information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group Companies, and for which discrete financial information is available.

31. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital. The Company's objective when managing capital are to maintain an optimal capital structure which is suitable as per the business requirements.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

Particulars		31.03.2021	31.12.2020	31.03.2020
Debt	A	9,409,215	9,409,215	9,409,215
Liquid investments including bank deposits	B	-	-	-
TOTAL	C = A-B	9,409,215	9,409,215	9,409,215
Equity	D	(8,107,632)	(8,023,521)	(8,650,630)
Debt to Equity	E = A / D	(1.16)	(1.17)	(1.09)
Debt to Equity (net)	F = C / D	(1.16)	(1.17)	(1.09)

For the purpose of the Company's capital management

(a) Debt is defined as non-current borrowings, current borrowings and current maturities of long-term debts as described in note 13.

(b) Equity includes Issued, subscribed and fully paid-up equity share capital and other equity attributable to the equity holders of the Company as described in note 11 and 12.



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32. Ultimate Holding Company

The Company's ultimate holding company is "Himadri Specialty Chemical Limited" (HSCL), a company incorporated in Kolkata, India.

33. Approval of Financial Statements

The statement of financial position was approved and the financial statements were authorised for issue by the Directors on **08 JUN 2021**

