IFB AGRO MARINE (FZE)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 MARCH 2025

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YEAR ENDED 31 MARCH 2025

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of IFB AGRO MARINE (FZE)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **IFB AGRO MARINE (FZE)** (the "Establishment"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Establishment as at 31 March 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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 Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates (UAE), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 2 (c) to the financial statements, which states that, during the year, the Establishment has not earned any revenue from trading or agency business. Further, the Establishment incurred a loss after tax of AED 152,321 for the year ended 31 March 2025, and as at that date the Establishment's losses aggregated to AED 5,506,549. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Establishment's ability to continue as a going concern. However, the shareholder has agreed to continue with the operations of the Establishment and has agreed to provide continuing financial support to enable the Establishment to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

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Accountants & business advisers

INDEPENDENT AUDITOR'S REPORT

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Emphasis of Matter

We draw attention to note 1(a) to the financial statements which states that the commercial license of the Establishment expired on 19 April 2025 and is under renewal. Our opinion is not modified in respect of this matter.

Responsibilities of 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 IFRS Accounting Standards as issued by the IASB, and for their compliance with the provisions of Implementing procedures issued by Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Establishment'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 Establishment or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with ISAs, 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.

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INDEPENDENT AUDITOR'S REPORT
(continued)

- 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 Establishment'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 Establishment 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 gives a true and fair view.

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

Report on Other Legal and Regulatory Requirements
We confirm that except for the matter stated in note 22 to the financial statements in respect of maintaining minimum net assets as required by the said regulations, the above financial statements comply with the applicable provisions of Implementing Procedures issued by the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995. We further confirm that we have obtained all the information and explanations necessary for our audit and proper books of account and other records have been maintained in accordance with the said regulation.

For PKF – Sharjah Branch

Lalwani

AUDITORS
PKF
U.A.E.

Saranga Lalwani
Partner
Registration No. 5468
Sharjah
United Arab Emirates
9 May 2025

IFB AGRO MARINE (FZE)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Notes	2025 AED	2024 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	--	30,567
Current assets			
Trade and other receivables	7	42,460	140,971
Other current assets	8	50,943	44,020
Other financial assets	9	--	50,000
Cash and cash equivalents	10	115,104	132,737
		208,507	367,728
Total assets		208,507	398,295
EQUITY AND LIABILITIES			
Equity			
Share capital	11	5,550,000	5,550,000
Accumulated losses		(5,506,549)	(5,354,228)
		43,451	195,772
Non-current liabilities			
Provision for staff end-of-service benefits	12	142,417	120,505
Current liabilities			
Accruals and other payables	13	22,639	58,817
Other current liabilities	14	--	23,201
		22,639	82,018
Total liabilities		165,056	202,523
Total equity and liabilities		208,507	398,295

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

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

Approved and authorised for issue by the shareholder on 2 May 2025 and signed on their behalf by Mr. Siraj Shamsul Shaikh.

For IFB AGRO MARINE (FZE)

AUDITORS PKF U.A.E.

Siraj Shamsul Shaikh
Director

IFB AGRO MARINE (FZE)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 AED	2024 AED
Revenue	17	--	781,104
Direct costs	18	--	(566,299)
Gross profit		--	214,805
Other income	19	564,568	484,860
Selling and administrative expenses	20	(640,413)	(662,040)
Impairment of trade receivables	21	(76,476)	--
Finance costs on overdrafts		--	(31,443)
(LOSS)/PROFIT BEFORE TAX		(152,321)	6,182
Income tax expense	25	--	--
(LOSS)/PROFIT FOR THE YEAR		(152,321)	6,182
Other comprehensive income:			
Other comprehensive income for the year		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(152,321)	6,182

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

IFB AGRO MARINE (FZE)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Share capital AED	Accumulated losses AED	Total AED
Balance at 1 April 2023	3,750,000	(5,360,410)	(1,610,410)
Issue of shares	1,800,000	--	1,800,000
Total comprehensive income for the year	--	6,182	6,182
Balance at 31 March 2024	5,550,000	(5,354,228)	195,772
Total comprehensive income for the year	--	(152,321)	(152,321)
Balance at 31 March 2025	**5,550,000**	**(5,506,549)**	**43,451**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

IFB AGRO MARINE (FZE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
Cash flows from operating activities		
(Loss)/profit before tax for the year	(152,321)	6,182
Adjustments for:		
Depreciation of property, plant and equipment	4,587	5,393
Impairment of trade receivables	76,476	--
Finance costs on overdrafts	--	31,443
Credit balances written back	(35,675)	--
Provision for staff end-of-service benefits	21,912	19,496
Loss on disposal of property, plant and equipment	21,880	--
	(63,141)	62,514
Changes in:		
- Trade and other receivables	22,035	(76,108)
- Other current assets	(6,923)	38,127
- Accruals and other payables	(1,794)	13,521
- Other current liabilities	(21,910)	742
Net cash (used in)/from operating activities	(71,733)	38,796
Cash flows from investing activities		
Proceeds on disposal of property, plant and equipment	4,100	--
Proceeds from margin deposit	50,000	--
Net cash from investing activities	54,100	--
Cash flows from financing activities		
Issue of share capital	--	1,800,000
Decrease in bank overdraft (net)	--	(1,682,397)
Interest paid	--	(31,443)
Net cash from financing activities	--	117,603
Net (decrease)/increase in cash and cash equivalents	(17,633)	124,956
Cash and cash equivalents at beginning of year	132,737	7,781
Cash and cash equivalents at end of year (note 10)	115,104	132,737

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

1. **REPORTING ENTITY**

a) **IFB AGRO MARINE (FZE)** (the "Establishment") – commercial license No.18085 is registered as a free zone establishment with limited liability on 20 April 2017 in Sharjah Airport International Free Zone, Sharjah, UAE, pursuant to Law No. 2 of 1995. The registered address is P.O. Box 124734, SAIF office Q1-08-101/C, Sharjah, UAE. The commercial license of the Establishment expired on 19 April 2025 and is under renewal.

The Establishment has also obtained a licence from Department of Economic Development, Dubai, for representative office in the name of "IFB Agro Marine – Dubai Branch – Representative Office" in the emirate of Dubai. Accordingly, these financial statements include assets, liabilities and results of operations of the representative office.

b) The principal activity of the Establishment as per trade license is general trading. The Establishment also acts as intermediary between principal and buyer of frozen foods and earns commission income (note 17). However, during the year, the Establishment has not earned any revenue from trading or agency business.

c) The Establishment is wholly owned subsidiary of IFB Agro Industries Limited, a company incorporated in India which is also considered as the ultimate parent company.

2. **BASIS OF PREPARATION**

a) **Statement of compliance**

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 April 2024, and the requirements of Sharjah Airport International Free Zone Authority Implementing Regulations pursuant to Law No. 2 of 1995.

b) **Basis of measurement**

The financial statements are prepared using historical cost. Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing the financial statements, management makes an assessment of the Establishment's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

During the year, the Establishment has not earned any revenue from trading or agency business. Further, the Establishment incurred a loss of AED 152,321 for the year ended 31 March 2025, and as at that date the Establishment's losses aggregated to AED 5,506,549. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Establishment's ability to continue as a going concern. However, the shareholder has agreed to continue with the operations of the Establishment and has agreed to provide continuing financial support to enable the Establishment to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.

d) **Functional and presentation currency**

The Establishment's functional currency is US Dollars since significant portion of its sales and purchases are denominated and settled in that currency. However, the financial statements are presented in UAE Dirhams ("AED") being the currency of country of domicile. Amounts in US Dollars are translated to UAE Dirhams using the exchange rate of 1 US$ = AED 3.6725.

e) **Adoption of new International Financial Reporting Standards**

Standards, amendments, improvements and interpretations effective for the current period

The following amendments, improvements and interpretations which became effective for current period, did not have any significant impact on the Establishment's financial statements:

- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangement
- Amendments to IAS 1 Presentation of Financial Statements relating to Classification of Liabilities as Current or Non-Current
- Amendments to IAS 1 – Non-current Liabilities with Covenants
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

New and revised IFRSs in issue but not yet effective and not early adopted

The following standards, amendments, improvements and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to IAS 21 – Lack of Exchangeability (1 January 2025)
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold to an associate or a joint venture (The IASB postponed the effective date of this amendment indefinitely - Early adoption is permitted)

- Amendments to the SASB (Sustainability Accounting Standards Board) standards to enhance their international applicability (1 January 2025)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7) (1 January 2026)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (1 January 2026)
- IFRS 18 Presentation and Disclosures in Financial Statements (1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (1 January 2027)

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted, and which have been consistently applied, are as follows:

a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value of furniture, fixtures and office equipment, where material, is depreciated from the date the asset is available for use until it is derecognised, using the written down value (WDV) method over the estimated useful lives of 6 - 7 years.

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 Establishment and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Establishment recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in profit or loss.

b) **Staff benefits**

The Establishment provides staff end-of-service benefits to its non-UAE national employees as per the applicable local laws. The entitlement to these benefits is based on the employees' last drawn basic salary and length of services which is accrued over the period of employment. Provision for staff end-of-service benefits is disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave and air fare for eligible employees as per the policy of the Establishment. Provision relating to annual leave and air fare are disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period. As at the reporting date, there are no significant earned/unutilised leaves to the credit of employees and accordingly no accrual is recorded for annual leave and air fare as at 31 March 2025.

c) **Revenue recognition**

The principal activity of the Establishment as per trade license is general trading. The Establishment's main activity is trading in frozen foods. During the year, the Establishment has not earned any revenue from trading or agency business.

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

The Establishment 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 with a customer 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 Establishment 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 the performance obligations in the contract: For a contract that has more than one performance obligation, the Establishment will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Establishment expects to be entitled in exchange for satisfying each performance obligation.

5. Recognise revenue when (or as) the Establishment satisfies a performance obligation at a point in time or over time.

The Establishment satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Establishment's performance as the Establishment performs; or
- The Establishment's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Establishment's performance does not create an asset with an alternative use to the Establishment and the Establishment has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied. The Establishment is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods

The Establishment has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

Commission income

Commission income is accrued at a point in time on the basis of shipment advices received from principles for the direct shipments made by them to the buyers.

d) **Leases**

As a lessee

The Establishment leases office premise and staff accommodation. Rental contracts are typically made for fixed period of 1 year but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets may not be used as security for borrowing purposes.

Short-term leases

The Establishment applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

e) **Cash and cash equivalents**

Cash and cash equivalents comprise of cash in hand and balance in bank current account.

f) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

g) **Provisions**

General

A provision is recognised when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits 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 reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, it's 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, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

h) **Contingencies and commitments**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

i) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person.

The Establishment pays Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Non-recoverable input VAT is charged to the relevant expenditure category or included in costs of non-current assets. The Establishment files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposits the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT Payable are offset and the net amount is reported in the statement of financial position as the Establishment has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

j) **Income and deferred tax**

Tax expense for the year comprises of current income tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the federal tax authorities on the taxable profits after considering tax allowances and exemptions and applying the applicable tax rates and laws. Deferred tax is recognised on the temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for non-deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences.

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

k) **Current versus non-current classification**

The Establishment 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.
- 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 current when:

- It is expected to be settled in the 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 right to defer the settlement of the liability for at least twelve months after the reporting period.

The Establishment classifies all other liabilities as non-current.

l) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; debt investment at fair value through other comprehensive income, equity investment at fair value through other comprehensive income; or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Establishment's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment is performed at an instrumental level.

The Establishment's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at fair value through profit or loss or at amortised cost. The Establishment determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Establishment becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Establishment commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Establishment 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 Establishment has transferred substantially all the risks and rewards of the asset,
  or
  (b) the Establishment has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of trade and other receivables, other financial assets and cash and cash equivalents.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at amortised cost
Financial liabilities at amortised cost comprise of accruals and other payables.

Impairment of financial assets
The Establishment recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Establishment expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month expected credit losses: expected credit losses that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses that result from all possible default events over the expected life of a financial instrument.

The Establishment measures the loss allowance at an amount equal to lifetime expected credit losses, except for the following which are measured as 12-month expected credit losses:

- Bank balances, other financial assets and other receivables for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Establishment has elected to measure loss allowances for trade receivables at an amount equal to lifetime expected credit losses. The Establishment applies a simplified approach in calculating expected credit losses. The Establishment does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Establishment 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.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Establishment considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Establishment's historical experience and informed credit assessment and including forward looking information.

The Establishment assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Establishment considers a financial asset to be in default when:

- The customer is unlikely to pay its credit obligations to the Establishment in full, without recourse by the Establishment to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Establishment is exposed to credit risk.

At each reporting date, the Establishment assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

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.

Equity

Equity instruments issued by the Establishment are recorded at the value of proceeds received towards interest in share capital of the Establishment.

m) **Fair value measurement**

The Establishment discloses the fair value of financial instruments measured at amortised cost.

The 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 fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

n) **Events after the reporting period**

If the Establishment receives information after the reporting period, but prior to the date of authorisation for issue of the financial statements, about conditions that existed at the end of the reporting period, it assesses whether the information affects the amounts that it recognises in its financial statements. The Establishment adjusts the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Establishment does not change the amounts recognised in its financial statements, but discloses the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

4. **JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES**

Following are the judgments made in applying accounting policies, that affect the application of the Establishment's accounting policies and the amounts recognised in the financial statements:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Establishment's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Establishment applies expected credit loss model to measure loss allowance in case of financial assets on the basis of 12-month expected credit losses or Lifetime expected credit losses depending on credit risk characteristics and how changes in economic factors affect expected credit losses, which are determined on a probability-weighted basis.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

The Establishment determined that the sale of goods is provided as a single component to customers and accordingly it becomes single performance obligation in respect of the goods being sold.

Determine timing of satisfaction of performance obligation

The Establishment concluded that the revenue from sales of goods is to be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

5. **KEY SOURCES OF ESTIMATION UNCERTAINTY**

Following are the key assumptions made 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. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Establishment's risk management. Revisions to estimates are recognised prospectively.

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Impairment

Assessments of net recoverable amounts of property, plant and equipment are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 3(l).

Staff end-of-service benefits

The Establishment computes the provision for the liability to staff end-of-service benefits stated at AED 142,417 (previous year AED 120,505), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

Income tax

Significant judgments are involved in determining the provision for income tax, including the amount expected to be paid or recovered in connection with uncertain tax positions.

Deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, at the tax rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Establishment considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and office equipment AED
Cost	
At 1 April 2023 and 31 March 2024	71,092
Disposals	(71,092)
At 31 March 2025	--
Accumulated depreciation	
At 1 April 2023	35,132
Depreciation	5,393
At 31 March 2024	40,525
Depreciation	4,587
Adjustment relating to disposals	(45,112)
At 31 March 2025	--
Carrying amount	
At 1 April 2023	35,960
At 31 March 2024	30,567
At 31 March 2025	--

7. TRADE AND OTHER RECEIVABLES

	2025 AED	2024 AED
Trade receivables	22,035	120,546
Deposits	20,425	20,425
	42,460	140,971

At the reporting date, the Establishment does not hold any collateral against trade receivables (previous year Nil).

8. OTHER CURRENT ASSETS

	2025 AED	2024 AED
Prepayments	4,872	4,215
VAT receivable (net)	46,071	39,805
	50,943	44,020

		2025	2024
		AED	AED
9.	**OTHER FINANCIAL ASSETS**		
	Margin deposit at amortised cost	--	50,000

These were held as security against guarantees issued by the bank (note 24).

10.	**CASH AND CASH EQUIVALENTS**		
	Cash in hand	4,100	--
	Bank balance in current account	111,004	132,737
		115,104	132,737
11.	**SHARE CAPITAL**		
	Issued and paid up:		
	37 shares of AED 150,000 each held by IFB Agro Industries Limited, India.	5,550,000	5,550,000
12.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Opening balance	120,505	101,009
	Provision for the year	21,912	19,496
	Closing balance	142,417	120,505
13.	**ACCRUALS AND OTHER PAYABLES**		
	Accruals	19,485	19,345
	Other payables	3,154	39,472
		22,639	58,817

The entire accruals and other payables are due for settlement within one year from the reporting date.

14.	**OTHER CURRENT LIABILITIES**		
	Accruals for staff benefits	--	23,201

15. **RELATED PARTIES**

The Establishment enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise the parent company, key management personnel and companies under common ownership and/or common management control.

At the reporting date, significant balances with related parties were as follows:

	Parent company	Key management personnel	Companies under common ownership and/or common management control	Total 2025	Total 2024
	AED	AED	AED	AED	AED
Included in accruals for staff benefits	--	--	--	--	
	--	21,910	--		21,910
Provision for staff end-of-service benefits	--	142,417	--	142,417	
	--	120,505	--		120,505
Included in trade receivables	--	--	22,035	22,035	
	--	--	44,070		44,070
Included in other payables	--	--	--	--	
	21,848	--	12,497		34,345

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 23.

Significant transactions with related parties during the year were as follows:

	Parent company	Key management personnel	Companies under common ownership and common management control	Total 2025	Total 2024
	AED	AED	AED	AED	AED
Staff salaries and benefits	--	262,920	--	262,920	
	--	262,920	--		262,920
Staff end-of-service benefits	--	21,912	--	21,912	
	--	19,496	--		19,496
Service income from related parties	264,420	--	264,420	528,840	
	220,350	--	264,420		484,770
Recharge of expense by a related party	--	--	--	--	
	12,349	--	--		12,349

16. MANAGEMENT OF CAPITAL

The Establishment's objectives when managing capital are to ensure that the Establishment continues as a going concern and to provide the shareholder with a rate of return on their investment commensurate with the level of risk assumed.

Capital comprises equity funds as presented in the statement of financial position. Debt comprises total amount owed by the Company, net of cash and cash equivalents.

The Establishment is subject to externally imposed capital requirements as per Implementation Procedures issued by the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995 (refer note 22).

Funds generated from internal accruals are retained in the business, according to the business requirements and to maintain capital at desired levels.

17. REVENUE

The Establishment generates revenue from the transfer of goods and services at a point in time. The disaggregated revenue from contracts with customers by geographical segments, type of goods and timing of revenue recognition is presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Establishment's revenue and cash flows.

	2025 AED	2024 AED
Primary Geographical segments		
- UAE	--	602,474
- Asian countries	--	178,630
	--	781,104
Major goods/service line		
- Trading of frozen sea food	--	600,086
- Commission income	--	181,018
	--	781,104
Timing of revenue recognition		
- At a point in time	--	781,104

18. DIRECT COSTS

	2025 AED	2024 AED
Purchases of inventory	--	566,299

19. OTHER INCOME

	2025 AED	2024 AED
Service income from related parties	528,840	484,770
Credit balances written back	35,675	--
Miscellaneous income	53	90
	564,568	484,860

	2025 AED	2024 AED
20. SELLING AND ADMINISTRATIVE EXPENSES		
Staff salaries and benefits	357,170	333,920
Staff end-of-service benefits	21,912	19,496
Depreciation	4,587	5,393
Short-term lease expenses	81,160	74,248
Legal and professional charges	24,638	44,950
Travelling expenses	13,270	11,639
Loss on disposal of property, plant and equipment	21,880	--
Other expenses	115,796	172,394
	640,413	662,040
21. IMPAIRMENT OF TRADE RECEIVABLES		
Trade receivable balances written off	76,476	--

22. SHARJAH AIRPORT FREE ZONE AUTHORITY REGULATIONS

As the net assets of the Establishment are below 75 percent of its share capital, in accordance with the Implementation Procedure issued by the Sharjah Airport Free Zone Authority pursuant to Law No. 2 of 1995, the Director is required to communicate to the Sharjah Airport Free Zone Authority and increase the net assets to meet the requirements of the law.

23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
	2025 AED	2024 AED
Financial assets		
Trade and other receivables	42,460	140,971
Other financial assets	--	50,000
Cash and cash equivalents	115,104	132,737
	157,564	323,708
Financial liabilities		
Accruals and other payables	22,639	58,817

Fair value measurement and disclosures

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of trade and other receivables, other financial assets, cash and cash equivalents and accruals and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial risk management

Risk management objectives

Risk is inherent in the Establishment's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Establishment's continuing profitability. The Establishment's risk management focusses on actively securing short to medium term cash flows by minimizing the exposure to financial markets.

The management of the Establishment reviews policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Financial assets that potentially expose the Establishment to concentrations of credit risk comprise principally cash and cash equivalents, other financial assets and trade and other receivables.

The Establishment's bank accounts are placed with high credit quality financial institution.

The management assesses the credit risk arising from trade and other receivables taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

At the reporting date, the Establishment's maximum exposure to credit risk from due from related parties situated outside UAE is as follows:

	2025	2024
	AED	AED
India	22,035	44,070

At the reporting date 100% of trade receivables were due from one customer, a related party engaged in agro industry (previous year 100% of trade receivables were due from two customers in agro industry).

The Establishment uses an allowance matrix to measure the expected credit losses of trade receivables, which comprise a number of balances. Loss rates are calculated using a 'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

Liquidity risk

Liquidity risk is the risk that the Establishment may encounter difficulty in meeting financial obligations due to shortage of funds. The Establishment's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Establishment's approach to managing liquidity is to ensure, as far as possible, 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 Establishment's reputation. The Establishment manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Establishment limits its liquidity risk by ensuring adequate bank facilities are available.

The Establishment's financial liabilities comprising of accruals and other payables of AED 22,639 (previous year AED 58,817) are due for maturity in less than one year from the reporting date, based on contractual payment dates.

Market risk

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

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

The Establishment buys and sells goods and services in foreign currencies. Exposure is minimised where possible by denominating such transactions in US Dollars to which the UAE Dirhams is pegged.

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

The Establishment is not subject to any significant interest rate risks.

		2025 AED	2024 AED
24.	**CONTINGENT LIABILITIES**		
	Bankers' letters of guarantee (note 9)	--	50,000

25. INCOME TAX EXPENSE

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.

As the Establishment's accounting year begins on 1 April, the first tax period will be the period from 1 April 2024 to 31 March 2025, with the tax return to be filed on or before 31 December 2025. UAE CT law specifies that a tax rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000.

The current tax expense for the year ended 31 March 2025 is Nil as the taxable income for the year is Nil. Further, management has assessed that there is no deferred tax benefit or asset which requires recognition in the financial statements for the year ended 31 March 2025.

For IFB AGRO MARINE (FZE)

Siraj Shamsul Shaikh
Director