

EXCEL INVESTMENTS FZC

**Financial statements and independent auditor's report
Year ended 31 March 2022**

EXCEL INVESTMENTS FZC

Financial statements and independent auditor's report
Year ended 31 March 2022

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **EXCEL INVESTMENTS FZC**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **EXCEL INVESTMENTS FZC** (the "Company"), which comprise the statement of financial position as at 31 March 2022, 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 significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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 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.

Emphasis of Matter

We draw attention to note 1(d) in the financial statements, which states that the financial statements of the subsidiary companies are not consolidated in these financial statements as they will be consolidated in the financial statements of the ultimate parent company. 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 IFRSs, and for their compliance with Implementation Procedures issued by the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

continued...

INDEPENDENT AUDITOR'S REPORT

(continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that 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 gives a true and fair view.

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INDEPENDENT AUDITOR'S REPORT

(continued)

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 further confirm that the financial statements comply with the applicable provisions of Procedures issued by the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995.

For **PKF**



S. D. Pereira

Partner

Auditor registration no. 552

Sharjah

United Arab Emirates

21 April 2022

EXCEL INVESTMENTS FZC

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

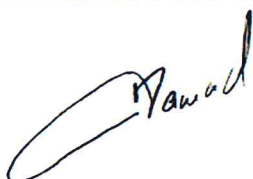
	Notes	2022 AED	2021 AED
ASSETS			
Non-current assets			
Investments	6	5,378,327	5,378,327
Total assets		5,378,327	5,378,327
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	7	150,000	150,000
Retained earnings		--	--
		150,000	150,000
Shareholders' current accounts	9	(150,000)	(150,000)
Shareholders' equity funds		--	--
Non-current liabilities			
Long-term loan from a related party	10	5,378,327	5,378,327
Total liabilities		5,378,327	5,378,327
Total equity and liabilities		5,378,327	5,378,327

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 board of directors on 14 April 2022 and signed on its behalf by Mr. Jawad Hussain Siddiqui.

For **EXCEL INVESTMENTS FZC**



DIRECTOR

EXCEL INVESTMENTS FZC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	2022 AED	2021 AED
Revenue		--
Operating expenses	48,292	35,275
Less: recharge of expenses	<u>(48,292)</u>	<u>(35,275)</u>
PROFIT FOR THE YEAR	<u><u>--</u></u>	<u><u>--</u></u>
Other comprehensive income:		
Other comprehensive income for the year	<u><u>--</u></u>	<u><u>--</u></u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>--</u></u>	<u><u>--</u></u>

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.

EXCEL INVESTMENTS FZC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share capital AED	Retained earnings AED	Total AED
Balance at 1 April 2020	150,000	--	150,000
Total comprehensive income for the period	--	--	--
Balance at 31 March 2021	150,000	--	150,000
Total comprehensive income for the year	--	--	--
Balance at 31 March 2022	150,000	--	150,000

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.

EXCEL INVESTMENTS FZC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	2022 AED	2021 AED
Cash flows from operating activities	--	--
Cash flows from investing activities		
Acquisition of investments	--	--
Net cash used in investing activities	--	--
Cash flows from financing activities		
Issue of share capital	--	--
Receipt of long-term loan from a related party	--	--
Funds withdrawn by the shareholders	--	--
Net cash from financing activities	--	--
Net increase in cash and cash equivalents	--	--
Cash and cash equivalents at beginning of year	--	--
Cash and cash equivalents at end of year	--	--

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.

EXCEL INVESTMENTS FZC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. LEGAL STATUS AND BUSINESS ACTIVITY

- a) **EXCEL INVESTMENTS FZC** (the "Company") is a Free Zone company with limited liability registered in Sharjah, United Arab Emirates, in accordance with Implementation Procedures issued by the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995. The registered office is SAIF Office Q1-06-127/A, P.O. Box 120784, Sharjah, United Arab Emirates. The Company operates through commercial license 20626 issued by the Sharjah Airport International Free Zone, Sharjah, United Arab Emirates. The Company is a wholly owned subsidiary of Dabur International Limited, which is considered by directors to be the parent company and Dabur India Limited is considered to be the ultimate parent company.

The Company was registered on 28 May 2019 as a Free Zone Establishment. However, on 25 September 2019, the status of the Company changed from Free Zone Establishment to a Free Zone Company vide amendment to the Memorandum of Association (note 7). Consequently, the name of the Company was changed from Excel Investments FZE to Excel Investments FZC.

- b) The Company acts as an investment holding company.
- c) The Company is managed and controlled by Dabur International Ltd.
- d) These are the separate financial statements of the Company. The financial statements of the subsidiary companies are not consolidated in these financial statements as they will be consolidated in the financial statements of the ultimate parent company.

2. BASIS OF PREPARATION

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 April 2021, and the requirements of Implementation Procedures issued by the Sharjah Airport International Free Zone Authority 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.

EXCEL INVESTMENTS FZC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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

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

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

The following amendments that became effective for the current reporting period but did not have any significant impact on the financial statements of the Company:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark - Phase 2 (1 January 2021)

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

The following 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 IFRS 3 – Reference to Conceptual Framework (1 January 2022)
- Amendments to IAS 37 – Onerous Contracts - Cost of Fulfilling a contract (1 January 2022)
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use (1 January 2022)
- Annual Improvements to IFRS Standards 2018-2021 (1 January 2022)
 - IFRS 9 Financial Instruments
 - IFRS 16 Leases
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)

e) **Functional and presentation currency**

The financial statements are presented in UAE Dirhams ("AED") which is also the Company's functional currency.

3. **SIGNIFICANT ACCOUNTING POLICIES**

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

a) **Investments in subsidiaries**

Subsidiaries are entities over which the Company exercises control. Control is achieved when the Company is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee.

EXCEL INVESTMENTS FZC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The investment in subsidiaries is accounted for at cost less impairment losses, if any. The financial statements of the subsidiary companies are not consolidated in these financial statements as they will be consolidated in the financial statements of the ultimate parent company.

b) **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.

c) **Value added tax**

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Company is also required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit 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 Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

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

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- 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 unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

e) **Financial instruments**

Classification

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

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

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

The Company'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 FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

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

Derecognition

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

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

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 FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

EXCEL INVESTMENTS FZC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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

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. All other financial assets are subsequently measured at fair value.

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.

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 shareholders' current accounts (debit balances).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost comprise of long-term loan from a related party.

Impairment of financial assets

The Company recognised an allowance for expected credit losses (ECLs) for investment in all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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 ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

EXCEL INVESTMENTS FZC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

- Shareholders' current accounts (debit balances) 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.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company 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 Company's historical experience and informed credit assessment and including forward looking information.

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

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

- The customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company 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. For financial assets carried at FVTOCI, the loss allowance is recognised in OCI, instead of reducing the 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

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

f) Fair value measurement

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

EXCEL INVESTMENTS FZC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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.

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Classification of financial assets

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

Impairment

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

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

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, are as follows:

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.

	2022 AED	2021 AED
6. INVESTMENTS		
Interest in share capital at cost in		
- Asian Consumer Care Pakistan Private Limited	5,172,251	5,172,251
- Dabur Pakistan (Private) Limited	206,076	206,076
	<u>5,378,327</u>	<u>5,378,327</u>

EXCEL INVESTMENTS FZC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Name of subsidiary	Principal Activities	Country of incorporation	Registered proportion (%) of ownership interest
Asian Consumer Care Pakistan Private Limited	Manufacturing, trading and distribution of beauty and healthcare products.	Pakistan	99.9%
Dabur Pakistan (Private) Limited	Manufacturing, trading and distribution of beauty and healthcare products.	Pakistan	100%

The financial statements of the subsidiary companies are not consolidated in these financial statements as they will be consolidated in the financial statements of the ultimate parent company.

	2022 AED	2021 AED
7. SHARE CAPITAL		
Issued and paid up:		
100 shares of AED 1,500 each	150,000	150,000

The Company was registered on 28 May 2019 as a Free Zone Establishment and Mr. Shahab Sultan Ahmed Almesmar Almatrooshi held the entire shares of AED 150,000. Subsequently, vide a share transfer agreement dated 25 September 2019, the erstwhile shareholder, Mr. Shahab Sultan Ahmed Almesmar Almatrooshi transferred one of his shares to Mr. Jawad Hussain Siddiqui. The shareholders at 31 March 2022 and their interests as at that date in the share capital of the Company were as follows:

Name	No. of shares	AED
Mr. Shahab Sultan Ahmed Almesmar Almatrooshi	99	148,500
Mr. Jawad Hussain Siddiqui	1	1,500
	100	150,000

8. RELATED PARTIES

The Company 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, ultimate parent company, subsidiaries, fellow subsidiaries, directors and shareholders.

At the reporting date, significant balances with subsidiaries and shareholders were as follows:

EXCEL INVESTMENTS FZC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

	Total 2022 AED	Total 2021 AED
Investment in subsidiaries	5,378,327	5,378,327
Shareholders' current accounts - (Debit)	(150,000)	(150,000)
Long-term loan from a related party (parent company)	5,378,327	5,378,327

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in notes 9, 10 and 12.

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

Recharge of operating expenses	48,292	35,275
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Certain administrative and staff related services are availed from a related party free of cost.

	2022 AED	2021 AED
9. SHAREHOLDERS' CURRENT ACCOUNTS – (DEBIT)		
Opening balance	(150,000)	(150,000)
Funds withdrawn during the year/period (net)	--	--
Closing balance	(150,000)	(150,000)

Shareholders' current accounts are interest free.

10. LONG-TERM LOAN FROM A RELATED PARTY		
Opening balance	5,378,327	5,378,327
Receipts during the year/period (net)	--	--
Closing balance	5,378,327	5,378,327

This represents an interest-free, secured loan received from the parent company, without any fixed repayment schedule. It is not the intention of the parent company to demand the repayment of the loan within one year from the reporting date.

11. MANAGEMENT OF CAPITAL

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

Capital, comprises equity funds as presented in the interim statement of financial position together with long-term loan from a related party and shareholders' current accounts. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is not exposed to any externally imposed capital requirements.

EXCEL INVESTMENTS FZC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Funds generated from internal accruals together with long-term loan from a related party net of funds provided to related parties, are retained in the business according to the business requirements and to maintain capital at desired levels.

12. FINANCIAL INSTRUMENTS

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

	At amortised cost	
	2022 AED	2021 AED
Financial assets		
Shareholders' current accounts – (Debit)	<u>150,000</u>	<u>150,000</u>
Financial liabilities		
Long-term loan from a related party	<u>5,378,327</u>	<u>5,378,327</u>

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

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.

Management continuously monitors its cash flows to determine its cash requirements in order to manage exposure to liquidity risk.

Exposure to currency risk is minimised where possible by denominating transactions in US Dollar to which the UAE Dirham is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risk

At the reporting date, the Company is not subject to any significant credit risk.

Currency risk

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

Interest rate risk

At the reporting date, the Company is not subject to any significant interest rate risk.

EXCEL INVESTMENTS FZC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

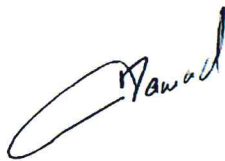
Fair values

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

The fair values of shareholders' current accounts (debit balances) approximate their carrying amounts largely due to the short-term maturities of these instruments.

Interest-free loan from a related party due to its terms has fair value lower than its carrying value.

For **EXCEL INVESTMENTS FZC**

A handwritten signature in black ink, appearing to read 'Nawal', is written over a large, light-colored oval scribble.

DIRECTOR