

**RUCHI ETHIOPIA HOLDINGS
LIMITED**

Financial Statements

31 March 2019

Registered Address:

P.O. Box 118767,
Dubai, U.A.E.

RUCHI ETHIOPIA HOLDINGS LIMITED

Financial Statements

31 March 2019

<i>CONTENTS</i>	<i>PAGE</i>
Director's Report	1
Independent Auditors' Report	2 – 4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 – 18

RUCHI ETHIOPIA HOLDINGS LIMITED

Director's Report

The director submits his report and accounts for the year ended 31 March 2019.

Results

Loss for the year amounted to US \$ 17,344/-.

Review of the business

The company is registered to carry out general trading and investment holding worldwide, to invest in companies/properties, joint business ventures with overseas entities and investment in overseas entities and also investment in properties of Dubai World, Nakheel, Emaar, Dubai Holdings and any other approved projects by Jebel Ali Free Zone.

Events since the end of the year

The company has closed its bank account during the year.

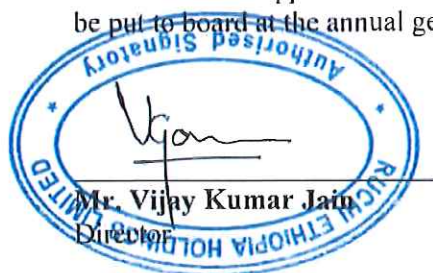
Shareholder and its interest

The sole shareholder, as at 31 March 2019 and its interest, as on that date in the share capital of the company, was as follow:

<u>Name of the shareholder</u>	<u>Country of Incorporation</u>	<u>No. of shares</u>	<u>AED</u>	<u>Equivalent US \$</u>
Ruchi Soya Industries Limited (Represented by Mr. Dinesh Chandra Shahra)	India	28,543	28,543,000	7,777,384

Auditors

A resolution to appoint **KSI Shah & Associates** as auditors and fix their remuneration will be put to board at the annual general meeting.



Mr. Vijay Kumar Jain
Director

Independent Auditors' Report to the Shareholder/directors of RUCHI ETHIOPIA HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **RUCHI ETHIOPIA HOLDINGS LIMITED** (the "Company"), which comprises of the statement of financial position as at 31 March 2019, 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 and explanatory notes.

In our opinion, the financial statements present fairly, in all material respects the financial position of the company as of 31 March 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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:

As at 31st March 2019, the Company had accumulated deficit of US\$ 8,344,563/- and that the Company's total liabilities exceeds its assets by US\$ 567,179/-.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises of the directors' report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

**Independent Auditors' Report to the Shareholder/director of
RUCHI ETHIOPIA HOLDINGS LIMITED****Report on the Audit of the Financial Statements (contd.)****Other Information (contd.)**

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

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

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

Auditors' 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.


Independent Auditors' Report to the Shareholder/director of RUCHI ETHIOPIA HOLDINGS LIMITED

Report on the Audit of the Financial Statements (contd.)

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 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.


For KSI Shah & Associates
Dubai, U.A.E.

Signed by:
Sonal P. Shah (Registration No. 123)

15 May 2019



RUCHI ETHIOPIA HOLDINGS LIMITED

Statement of Financial Position

At 31 March 2019

	<i>Notes</i>	<i>2019 US \$</i>	<i>2018 US \$</i>
ASSETS			
Current assets			
Bank balance		-	33,565
TOTAL ASSETS		-	33,565
EQUITY AND LIABILITIES			
Equity			
Share capital	6	7,777,384	7,777,384
Accumulated deficit		(8,344,563)	(8,327,219)
Total equity		(567,179)	(549,835)
Current liabilities			
Short term loan	7,10	506,769	536,150
Accruals	8,10	60,410	47,250
		567,179	583,400
TOTAL EQUITY AND LIABILITIES		-	33,565

The accompanying notes 1 to 15 form an integral part of these financial statements.

The Independent Auditors' Report is set forth on page 2 to 4.

Approved by the shareholder/directors on 15th May 2019 and signed on their behalf by:

For RUCHI ETHIOPIA HOLDINGS LIMITED



RUCHI ETHIOPIA HOLDINGS LIMITED

Statement of Comprehensive Income *for the year ended 31 March 2019*

	<i>Notes</i>	<i>2019</i> <i>US \$</i>	<i>2018</i> <i>US \$</i>
Expenses	9	(284)	(50,271)
Interest on call deposit account		—	197
Loss from operation		(284)	(50,074)
Finance charges	10	(17,060)	(18,704)
Foreign exchange fluctuation reserve reclassified to income statement	11	—	(2,118,132)
Loss for the year		(17,344)	(2,186,910)
<i>Items that may be reclassified subsequently to the income statement</i>			
Changes in foreign exchange fluctuation reserve		—	—
Total comprehensive income for the year		(17,344)	(2,186,910)

The accompanying notes 1 to 15 form an integral part of these financial statements.

RUCHI ETHIOPIA HOLDINGS LIMITED

Statement of Changes in Equity *for the year ended 31 March 2019*

	<i>Share capital US \$</i>	<i>Foreign exchange fluctuation reserve US \$</i>	<i>Accumulated deficit US \$</i>	<i>Total US \$</i>
As at 31 March 2017	7,777,384	(2,118,132)	(6,140,309)	(481,057)
Changes during the year	-	2,118,132	-	2,118,132
Loss for the year	-	-	(2,186,910)	(2,186,910)
As at 31 March 2018	7,777,384	-	(8,327,219)	(549,835)
Loss for the year	-	-	(17,344)	(17,344)
As at 31 March 2019	<u>7,777,384</u>	<u>-</u>	<u>(8,344,563)</u>	<u>(567,179)</u>

The accompanying notes 1 to 15 form an integral part of these financial statements.

RUCHI ETHIOPIA HOLDINGS LIMITED

Statement of Cash Flows *for the year ended 31 March 2019*

	<i>2019</i> <u>US \$</u>	<i>2018</i> <u>US \$</u>
<u>Cash flows from operating activities</u>		
(Loss)/profit for the year	(17,344)	(2,186,910)
Adjustments for:		
(Reversal) / Impairment in value of investment in a subsidiary company	-	<u>2,118,132</u>
Operating loss before working capital changes	(17,344)	(68,778)
Changes in accrual	<u>13,160</u>	<u>19,652</u>
Net cash from operations	(4,184)	(49,126)
Finance charges paid	<u>(17,060)</u>	<u>(18,704)</u>
Net cash used in operating activities	<u>(21,244)</u>	<u>(67,830)</u>
<u>Cash flows from financing activities</u>		
Finance charges	17,060	18,704
Proceeds from a related party	<u>(29,381)</u>	<u>32,200</u>
Net cash from financing activities	<u>(12,321)</u>	<u>50,904</u>
Net changes in cash and cash equivalents	(33,565)	(16,926)
Cash and cash equivalents at beginning of the year	<u>33,565</u>	<u>50,491</u>
Cash and cash equivalents at end of the year	<u>-</u>	<u>33,565</u>

The accompanying notes 1 to 15 form an integral part of these financial statements.

RUCHI ETHIOPIA HOLDINGS LIMITED

(Incorporated in Jebel Ali Free Zone, Emirate of Dubai)

(Registration No. 140193)

Notes to the Financial Statements*for the year ended 31 March 2019***1. Legal status and business activity**

- a) **RUCHI ETHIOPIA HOLDINGS LIMITED** (“The Company”) is an International Business Company, registered on 4 August 2010 under the “Offshore Companies Regulation of Jebel Ali Free Zone 2003” having registration no. 140193.
- b) The company is registered to carry out general trading and investment holding worldwide.
- c) During the year the company has closed its bank accounts and did not renew the license which is expired on 3rd August 2018.
- d) These financial statements are prepared on a stand-alone basis, to comply with the local regulations. The ultimate holding company, Ruchi Soya Industries Limited, India prepares consolidated financial statements for the group.
- e) The company operates through a servcorp office, does not have any fixed assets and no personnel were employed during the year.

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 on or after 1 January 2018 and the implementing rules and regulations of the Offshore Companies Regulation of Jebel Ali Free Zone.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as described in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

RUCHI ETHIOPIA HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2019

c) **Functional and presentation currency**

These financial statements are presented in US Dollars, which is the company's functional and presentation currency.

3. **Use of estimates and judgement**

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments made in applying accounting policies

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

Impairment

At each reporting date, management conducts an assessment of investments and all financial assets 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. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to Statement of comprehensive income or, if previously a provision was made, it is written off against the provision.

Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

Classification of investment

Management designates at the time of acquisition of securities whether these should be classified as at fair value or amortized cost. In judging whether investments in securities are classified as at fair value or amortized cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 Financial Instruments.

Classification of investment as a subsidiary

The company has classified its 99.99 % investment in Ruchi Agri Private Limited Company, Ethiopia, a limited liability company, as its subsidiary, considering all relevant circumstances, the management is of the opinion that it is in a position to control the investee company, Ruchi Agri PLC.

RUCHI ETHIOPIA HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2019

Key sources of estimation uncertainty and assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty and assumptions at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment

Assessments of net recoverable amounts of investments and all financial assets other than loans and receivables are based on assumptions regarding future cash flows expected to be received from the related assets.

4. Adoption of new International Financial Reporting Standards

New and revised International Financial Reporting Standards

The following International Financial Reporting Standards, amendments thereto and interpretations issued by IASB that became effective for the current reporting period and which are applicable to the company are as follows:

- IFRS 9 - Financial Instruments
- IFRS 15 – Revenue from contracts with customers
- Clarifications to IFRS 15- Revenue from contracts with customers
- IFRIC Interpretation 22-Foreign Currency Transactions and Advance Consideration
- Amendments to IAS 40- Transfers of Investment Property
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions
- Amendments to IFRS 4- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
- Amendments to IFRS 1 and IAS 28 as per annual improvements to IFRS standards 2014-16 cycle

During the current year, the management has adopted the above standards and amendments to the extent applicable to them from the financial reporting period commencing on or after 1 January 2018.

The significant impacts of IFRS 9, IFRS 15 and other amendments as listed above on the amounts reported and their presentation are disclosed wherever applicable.

RUCHI ETHIOPIA HOLDINGS LIMITED

Notes to the Financial Statements *for the year ended 31 March 2019*

4b. Significant Changes in the current reporting period

a) IFRS 9 Financial Instruments

The Company has adopted IFRS 9 Financial Instruments issued in July 2014 with a date of initial application of 1 January 2018. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

As permitted by transitional provisions of IFRS 9, the Company elected not to restate the comparative figures. Any adjustments to carrying amounts of financial assets and liabilities at the date of transitions were recognized in opening retained earnings and other reserves of the current year.

The adoption of IFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 - Financial Instruments: Disclosures.

There is no material impact on adoption of IFRS 9 in the financial statements at the adoption date and the reporting date, however the presentation and disclosure requirements of IFRS 9 have been dealt with as relevant to the Company.

b) IFRS 15 Revenue from contracts with customers:

This standard on revenue recognition replaces IAS 11 “Construction Contracts” and IAS 18 “Revenue” and related interpretations.

IFRS 15 is more perspective, provides detailed guidance on revenue recognition and reduced the use of judgment in applying revenue recognition policies and practices as compared to the replaced IFRS and related interpretations.

Revenue is recognized when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service.

The core principle of IFRS 15 is that an entity recognizes revenue as it transfers the promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange of those goods or services.

IFRS 15 also includes a comprehensive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainly of revenue and cash flows arising from the entity’s contracts with customers.

The Company has assessed that the impact of IFRS 15 is not material on the financial statements of the company as at the adoption date and the reporting date.

RUCHI ETHIOPIA HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2019

5. Significant accounting policies:

a) Investment in a subsidiary company

Subsidiary is an entity (investee) which is controlled by another entity (the Parent or the Investor). The control is based on whether,

- a) The Investor has power over the investee
- b) It is exposed to rights of variable returns and
- c) It has the ability to use its power to affect the amount of the returns.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill.

Investment in subsidiaries is stated at cost less provision for impairment if any.

Foreign exchange gain or losses arising on account of foreign currencies transacted during the year are reported in the statement of comprehensive income.

Investment in a subsidiary company

Fair value adjustments for foreign exchange gains or losses arising on account of foreign currency translated at the rate of exchange ruling at the reporting date are recorded in the statement of changes in equity.

Impairment of financial assets

The Company recognizes 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 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.

Expected credit losses are recognized in two stages.

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months.
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

RUCHI ETHIOPIA HOLDINGS LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2019***Impairment of financial assets (contd.)**

For trade receivables and contract assets, the Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

b) Foreign currency transactions

Transactions in foreign currencies are converted into US Dollars at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the reporting date.

Resulting gains or losses arising from the foreign currency transactions are taken to the statement of comprehensive income.

c) Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount.

Where the carrying amount of an asset or cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the statement of comprehensive income.

d) Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

RUCHI ETHIOPIA HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2019

Provisions (contd.)

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

e) Contingencies

Contingent liabilities are not recognized 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 recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

f) Borrowing costs

Finance expense comprises of interest expense on loan from a related party is recognised in statement of comprehensive income.

g) Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership and the lease payments are charged to the Statement of Comprehensive Income on a straight line basis over the period of lease.

The Company as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

h) Borrowing costs

Finance expense comprises of interest expense on loan from a related party is recognised in statement of comprehensive income.

i) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

j) Dividend

Dividend is paid out of retained earnings, when declared.

RUCHI ETHIOPIA HOLDINGS LIMITED

Notes to the Financial Statements *for the year ended 31 March 2019*

	<i>2019</i> <u>US \$</u>	<i>2018</i> <u>US \$</u>
6. Share capital		
28,543 shares of nominal value AED 1,000/- each (1 US \$ equivalent to AED 3.67)	<u>7,777,384</u>	<u>7,777,384</u>
7. Short term loan ^a		
Due to a related party (refer note 10)	<u>506,769</u>	<u>536,150</u>
^a Represents unsecured short term loan received from a related party (Ruchi Agri Trading PTE LTD) with interest @ 3.55% p.a.		
8. Accruals		
Interest charges (refer note 10)	60,410	43,350
Other accrual	-	3,900
	<u>60,410</u>	<u>47,250</u>
9. Expenses		
Legal expenses	-	2,271
Other administration expenses	284	4,050
Other expenses	-	43,950
	<u>284</u>	<u>50,271</u>
10. Related party transactions		

For the purpose of these financial statements, parties are considered to be related to the company, if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making party's financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related party may be individuals or other entities.

The nature and amount of significant related party transactions during the year are as under:

	<i>Subsidiary company</i>	<i>Entity under common control</i>	<i>Total 2019 US \$</i>	<i>Total 2018 US \$</i>
Foreign exchange fluctuation reserve reclassified to income statement	-	-	-	2,118,132
Other expenses	-	-	-	43,950
Finance charges	-	17,060	17,060	18,704

RUCHI ETHIOPIA HOLDINGS LIMITED

Notes to the Financial Statements *for the year ended 31 March 2019*

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

	<i>Entity under common control 2019 US \$</i>	<i>Entity under common control 2018 US \$</i>
Included under current liabilities:		
<u>Short term loan</u>		
Ruchi Agri Trading PTE LTD, Singapore	506,769	536,150
<u>Accruals</u>		
Finance charges		
Ruchi Agri Trading PTE LTD, Singapore	60,410	43,350
	<i>2019 US \$</i>	<i>2018 US \$</i>

11. Reversal / provision for impairment loss in a subsidiary

Opening balance of impairment loss	8,198,988	6,080,856
Reclassification/ (reversal) during the year	-	2,118,132
Closing balance of impairment loss	8,198,988	8,198,988

12. Financial instruments: Credit, interest rate, liquidity risk and exchange rate risk exposures

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

- a) Credit risk
- b) Market risk
- c) Liquidity risk

a) Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk comprise nothing.

Other receivables

There is no significant concentration of credit risk from other receivables within U.A.E. and outside U.A.E and the industry in which the company operates.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk, interest rate risk and equity prices risk, which will affect the company's income or the value of its holding of financial instruments.

RUCHI ETHIOPIA HOLDINGS LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2019****Interest rate risk***

In absence of any bank deposits and borrowings, the interest rate risk is minimal.

Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the U.A.E. Dirham is fixed:

c) Liquidity risk

The company is in liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due.

13. Financial instruments: Fair values

The fair value of the company's financial assets comprising of investment in a subsidiary company, bank balance and advance for share application and financial liabilities comprising of due to a related party and accruals that approximate to their carrying values.

14. Contingent liability

There was no significant liability, contingent in nature, as of the reporting date.

15. Comparative figures

Previous year's figures have been regrouped/reclassified to conform to the presentation adopted for the current year.