

SHARDA IMPEX TRADING LLC

Financial Statements

31 March 2022

Registered office:
Dubai, U.A.E.

SHARDA IMPEX TRADING LLC

Financial Statements

31 March 2022

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SHARDA IMPEX TRADING LLC
Director' Report

The director submits his report for the year ended 31 March 2022.

Results

The loss for the year amounted to US \$ 74,221.

Review of the business

The company is registered to carry out the business of organic fertilizer & plant feed trading, chemical fertilizer trading and agriculture pesticides trading.

Events since the end of the year

There were no significant events, which have occurred since the year-end that materially affect the Company.

Shareholders and their interests

The shareholder at 31 March 2022 and its interest as of that date in the share capital of the company was as follows:

<u>Name of shareholder</u>	<u>Country of Incorporation</u>	<u>Number of shares</u>	<u>AED</u>
M/s Tips Holding Limited (Represented by: Mr. Hamad Hussain Ali Alsalman)	U.A.E.	157	157,000
M/s Sharda International DMCC	U.A.E.	<u>143</u>	<u>143,000</u>
		<u>300</u>	<u>300,000</u>

Auditors

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



Ramprakash Vilasrai Bubna
 Director




Independent Auditors' Report to the Shareholders/Director of SHARDA IMPEX TRADING LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **SHARDA IMPEX TRADING LLC** ("the Company"), which comprises of the statement of financial position as at 31 March 2022, and the statement of comprehensive income and statement of changes in equity 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 2022 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.

Other Information

Management is responsible for the other information. Other information comprises the director's 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.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Other Information

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.

Independent Auditors' Report to the Shareholders/Director of SHARDA IMPEX TRADING LLC

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

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.

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.

Independent Auditors' Report to the Shareholders/Director of SHARDA IMPEX TRADING LLC

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

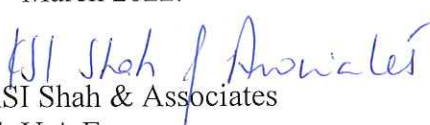
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we 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.

Report on Other Legal and Regulatory Requirements

We further confirm that as required by the UAE Federal Law No (2) of 2015, we report that:

- i) we have obtained all the information necessary for the purpose of our audit;
- ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No (2) of 2015, and the articles of association of the company;
- iii) the company has maintained proper books of accounts;
- iv) the financial information in the Directors' Report is consistent with the books of account of the company;
- v) The company has not made any investments in shares and stocks during the year ended 31 March 2022;
- vi) Note 7 to the financial statements reflects material related party transactions and terms under which they were conducted.
- vii) Based on the information made available to us, nothing has come to our attention which causes us to believe that the company has contravened during the financial year ended 31 March 2022 any of the applicable provisions of the UAE Federal Law No (2) of 2015 or of its activities which would materially affect its activities or its financial position as at 31 March 2022.


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

Signed by:

Sonal P. Shah (Registration No. 123)



26 April 2022

SHARDA IMPEX TRADING LLC

Statement of Financial Position

At 31 March 2022

	<i>Notes</i>	<i>2022</i> <i>US \$</i>	<i>2021</i> <i>US \$</i>
Current assets			
Deposit		2,559	544
Prepayments		6,772	3,282
Cash and cash equivalents		<u>25,723</u>	<u>-</u>
		<u>35,054</u>	<u>3,826</u>
TOTAL ASSETS			
		<u>35,054</u>	<u>3,826</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	6	81,660	-
Accumulated (losses)		(90,308)	(16,080)
Foreign currency translation reserve		<u>7</u>	<u>-</u>
Equity funds		<u>(8,641)</u>	<u>(16,080)</u>
Current liabilities			
Accruals		715	14,207
Due to a shareholder	7	<u>42,980</u>	<u>5,699</u>
		<u>43,695</u>	<u>19,906</u>
TOTAL EQUITY AND LIABILITIES			
		<u>35,054</u>	<u>3,826</u>

The accompanying notes 1 to 12 form an integral part of these Financial Statements.

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

Approved by the director on 26th April 2022.

For SHARDA IMPEX TRADING LLC



Ramprakash Vilasrai Bubna
Director




SHARDA IMPEX TRADING LLC

Statement of Comprehensive Income
For the year ended 31 March 2022

	<i>Notes</i>	<i>Year ended 31 March 2022 US \$</i>	<i>17 Mar.2021 to 31 Mar. 2021 US \$</i>
Expenses	8	<u>(74,228)</u>	<u>(16,080)</u>
(Loss) for the year /period		(74,228)	(16,080)
Other comprehensive income			
Foreign currency translation difference		<u>7</u>	<u>-</u>
Total comprehensive income for the year/period		<u>(74,221)</u>	<u>(16,080)</u>

The accompanying notes 1 to 12 form an integral part of these Financial Statements.

SHARDA IMPEX TRADING LLC

Statement of Changes in Equity
for the year ended 31 March 2022

	<i>Share capital</i> <u>US \$</u>	<i>Accumulated (losses)</i> <u>US \$</u>	<i>Foreign currency translation reserve</i> <u>US \$</u>	<i>Total</i> <u>US \$</u>
(Loss) for the period	-	(16,080)	-	(16,080)
As at 31 March 2021	-	(16,080)	-	(16,080)
Share capital introduced during the year	81,660	-	-	81,660
Foreign currency translation reserve	-	-	7	7
(Loss) for the year	-	(74,228)	-	(74,228)
As at 31 March 2022	<u>81,660</u>	<u>(90,308)</u>	<u>7</u>	<u>(8,641)</u>

The accompanying notes 1 to 12 form an integral part of these Financial Statements

SHARDA IMPEX TRADING LLC

Statement of Cash Flows
for the year ended 31 March 2022

	<i>Year ended 31 March 2022 <u>US \$</u></i>	<i>17 Mar. 2021 to 31 Mar. 2021 <u>US \$</u></i>
<u>Cash flows from operating activities</u>		
(Loss) for the year/period	(74,229)	(16,080)
Changes in deposits	(2,014)	(544)
Changes in prepayments	(3,490)	(3,282)
Changes in accruals	(13,492)	14,207
Changes in due to a shareholder (net)	<u>37,281</u>	<u>5,699</u>
Net cash (used in) operating activities	<u>(55,944)</u>	<u>-</u>
<u>Cash flows from financing activities</u>		
Share capital introduced	81,660	-
Foreign currency translation reserve	<u>7</u>	<u>-</u>
Net cash from financing activities	<u>81,667</u>	<u>-</u>
Net changes in cash and cash equivalents	25,723	-
Cash and cash equivalents at beginning of the year/ period	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of the year/period	<u>25,723</u>	<u>-</u>

The accompanying notes 1 to 12 form an integral part of these financial statements.

SHARDA IMPEX TRADING LLC

(Incorporated in the Emirate of Dubai)

(Registration No. 1552352)

Notes to the Financial Statements
*for the year ended 31 March 2022***1. Legal status and principal activity**

- a) **SHARDA IMPEX TRADING LLC** (“The Company”) is a limited liability company registered on 17 March 2021 in the emirate of Dubai, under commercial license no. 941503 issued by the Department of Economic Development, Dubai, U.A.E. in accordance with the provision of U.A.E. Commercial Companies Law No. 2 of 2015, as amended.
- b) The company is registered to carry out the business of organic fertilizer & plant feed trading, chemical fertilizer trading and agriculture pesticides trading.

2. Basis of preparation**a) Statement of Compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 January 2021.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis. 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.

c) Functional and presentation currency

The functional currency of the company is U.A.E. Dirhams. These financial statements are presented in United States Dollars (USD), which in the opinion of the management is the most appropriate presentation currency in view of the global presence of the company. U.A.E. Dirham is currently pegged to USD and there are no differences on translation from functional to presentation currency.

3. Use of estimates and judgments

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.

SHARDA IMPEX TRADING LLC**Notes to the Financial Statements**
*for the year ended 31 March 2022***Use of estimates and judgments (contd.)**

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:

Financial assets at amortized cost

The company classifies its financial assets as at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

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 sheet date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4. Adoption of new International Financial Reporting Standards**a) New and revised International Financial Reporting Standards**

The following International Financial Reporting Standards (IFRSs), amendments and interpretations issued by IASB that became effective for the current reporting period:

- Amendments to IFRS 16 Leases- COVID-19-Related Rent Concessions beyond 30 June 2021
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16- Interest Rate Benchmark Reform-IBOR 'Phase 2'

SHARDA IMPEX TRADING LLC**Notes to the Financial Statements**
*for the year ended 31 March 2022***New and revised International Financial Reporting Standards (contd.)**

During the current year, the management has adopted the above standards and amendments to the extent applicable to them from their effective dates.

These amendments have no significant impact on the amounts reported in these financial statements. Their adoption has resulted in presentation and disclosure changes only.

b) International Financial Reporting Standards issued but not effective

Amendments to IAS 16-Property, Plant and Equipment: Proceeds before Intended Use
The effective date of the amendments is set for annual periods beginning on or after 1 January 2022

Amendments to IAS 37-Onerous Contracts – Cost of Fulfilling a Contract: The effective date of the amendments is set for annual periods beginning on or after 1 January 2022.

Amendments to IFRS 3- References to the Conceptual - The effective date of the amendments is set for annual periods beginning on or after 1 January 2022.

Annual Improvements to IFRS Standards 2018–2020 – Amendments to IFRS 1, IFRS 9, IFRS 16 Leases and IAS 41. The effective date of the amendments is set for annual periods beginning on or after 1 January 2022.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current - The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies - The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 8-Definition of accounting estimates – The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 12-Deferred tax related to assets and liabilities arising from a single transaction – The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

IFRS17 -Insurance Contracts and amendments to IFRS 17- The effective date of the standard is set for annual periods beginning on or after 1 January 2023.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

SHARDA IMPEX TRADING LLC**Notes to the Financial Statements**
*for the year ended 31 March 2022***5. Significant accounting policies:****a) Financial instruments****i. Recognition and Initial measurement**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition.

ii. Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified as follows:

Financial assets at amortized cost (debt instruments)

Financial assets that are held within a business model whose objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest are subsequently measured at amortized cost less impairments, if any. Interest income calculated using effective interest rate (EIR) method and impairment loss, if any are recognised in the statement of profit and loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

i. Classification and subsequent measurement of financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as follows:

- Amortised cost - Financial liabilities are classified as financial liabilities at amortised cost by default. Interest expense calculated using EIR method is recognised in the statement of profit and loss.
- Fair values through profit or loss (FVTPL) - Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expense on these liabilities are recognised in the statement of profit and loss.

The company's financial liabilities include accruals and due to a shareholder. The carrying amounts of these financial liabilities are considered as to be the same as their fair values, due to their short term nature.

ii. Derecognition of financial assets and financial liabilities

Financial assets are de-recognized 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

SHARDA IMPEX TRADING LLC**Notes to the Financial Statements**
*for the year ended 31 March 2022****Derecognition of financial assets and financial liabilities (contd.)***

- 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.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii. Offsetting of financial instruments

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

iv. Impairment of financial assets

The company 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 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.

For other receivables, 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.

b) Foreign currency transactions

Transactions in foreign currencies are converted into United States dollars at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into United States Dollars at the rate of exchange ruling at the balance sheet date. Resulting gain or loss is taken to the Statement of Comprehensive Income.

c) Short term leases

The Company applies the short-term lease recognition exemption to its short-term leases of office premises (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 assets are recognized as expense on a straight-line basis over the lease term.

SHARDA IMPEX TRADING LLC

Notes to the Financial Statements
for the year ended 31 March 2022

	<i>2022</i> <u>US \$</u>	<i>2021</i> <u>US \$</u>
6. Share capital		
Authorized, issued and paid up: (300 shares of AED 1,000 each) (US \$ 1 @ AED 3.673)	<u>81,660</u>	<u>-</u>

7. 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 that party's financial and operating decisions, or vice versa, or where the company and the party are subject to common control and includes where the company has significant influence but not control, and generally does not have any controlling shareholding on the entity whose accounts are presented. Related party may be individuals or other companies.

As of the reporting date, balances with parent company were as follows:

	<i>2022</i> <i>Parent</i> <i>company</i> <u>US \$</u>	<i>2021</i> <i>Total</i> <u>US \$</u>
Included in current liabilities:		
<u>Due to a shareholder:</u>		
Sharda International DMCC, U.A.E.	42,980	5,699

	<i>2022</i> <u>US \$</u>	<i>2021</i> <u>US \$</u>
8. Expenses		
Salary expense	25,383	-
Rent expense	30,086	1,143
Other administrative expenses	<u>18,759</u>	<u>14,937</u>
	<u>74,228</u>	<u>16,080</u>

9. Financial instruments: Credit, Market risk and Liquidity risk exposures

The Company has no 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 concentration of credit risk comprise principally of deposit and bank balances.

SHARDA IMPEX TRADING LLC**Notes to the Financial Statements**
*for the year ended 31 March 2022****Bank balance***

The company's bank balance in a current account are placed with high credit quality financial institutions.

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 exchange rate risk, interest rate risk or other price risk, which will affect the Company's income or the value of its holding of financial instruments.

Interest rate risk

Since the Company does not have any borrowings or deposits, interest rate risk in minimum.

Exchange rate risk

There is no significant exchange rate risk as substantially all financial assets and financial liabilities are denominated in United States Dollars or UAE dirham to which the US Dollar is fixed.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the management who ensures that sufficient funds are made available to the Company to meet any future commitments.

10. Financial instruments: Fair values

Financial instruments comprise of financial assets and financial liabilities. The fair value of the company's financial assets comprising of deposit and bank balance and financial liabilities comprising of accruals and due to a shareholder approximate to their carrying values.

11. Contingent liability

There was no significant liability, contingent in nature, outstanding as on balance sheet date.

12. Comparative figures

- a)** Previous period's figures have been regrouped/reclassified wherever necessary to confirm to the presentation adopted in the current year.
- b)** Previous period's figures are for 15 days hence are not comparable, with those of the current year figures which are for 12 months.