

SHARDA IMPEX TRADING LLC

Financial Statements

31 March 2024

Registered office:

P.O.Box. 87556
Dubai, U.A.E.

SHARDA IMPEX TRADING LLC

Financial Statements

31 March 2024

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SHARDA IMPEX TRADING LLC

Director' Report

The director submits his report for the year ended 31 March 2024.

Results

The profit for the year amounted to US \$ 99,628/-.

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. However, during the year, the company has provided marketing services to its parent company and has earned service income.

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 shareholders at 31 March 2024 and their interests as of that date in the share capital of the company were 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	U.A.E.	157	157,000
(Represented by: Mr. Hamad Hussain Ali Als Salman)			
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.



Mr. Ramprakash Vilasrai Bubna
Director

Dirah 

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 2024, 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 2024 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.

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 Shareholders/Director of SHARDA IMPEX TRADING LLC

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

Auditors' Responsibilities for 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.

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 2024;
- 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 2024 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 2024.

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

Signed by:

Sonal P. Shah (Registration No. 123)



22 April 2024


SHARDA IMPEX TRADING LLC

Statement of Financial Position
At 31 March 2024

	<u>Notes</u>	<u>2024</u> <u>US \$</u>	<u>2023</u> <u>US \$</u>
ASSETS			
Non-current assets		<u>370</u>	<u>-</u>
Fixed assets			
Current assets		2,559	11,747
Deposits and advances		6,591	3,823
Prepayments		<u>17,082</u>	<u>19,403</u>
Cash and cash equivalents		<u>26,232</u>	<u>34,973</u>
		<u>26,602</u>	<u>34,973</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity		81,660	81,660
Share capital	6	(56,173)	(155,797)
Accumulated (losses)		<u>6</u>	<u>2</u>
Foreign currency translation reserve		<u>25,493</u>	<u>(74,135)</u>
Equity funds			
Current liabilities		1,109	1,726
Accruals		-	107,382
Due to a related party	7	<u>1,109</u>	<u>109,108</u>
		<u>26,602</u>	<u>34,973</u>
TOTAL EQUITY AND LIABILITIES			

The accompanying notes 1 to 13 form an integral part of these Financial Statements.
The Independent Auditors' Report is set forth on pages 2 to 3.
Approved by the director on 22nd April 2024.

For SHARDA IMPEX TRADING LLC



Mr. Ramprakash Vilasrai Bubna
Director



SHARDA IMPEX TRADING LLC

Statement of Comprehensive Income

For the year ended 31 March 2024

	<i>Notes</i>	<i>2024</i> <i>US \$</i>	<i>2023</i> <i>US \$</i>
Other income	7	212,339	40,832
Expenses	8	(112,715)	(106,321)
Profit/ (loss) for the year		99,624	(65,489)
Foreign currency translation difference		<u>4</u>	<u>(5)</u>
Total comprehensive income for the year		<u>99,628</u>	<u>(65,494)</u>

The accompanying notes 1 to 13 form an integral part of these Financial Statements.

SHARDA IMPEX TRADING LLC

Statement of Changes in Equity
for the year ended 31 March 2024

	<i>Share Capital <u>US \$</u></i>	<i>Accumulated (losses) <u>US \$</u></i>	<i>Foreign currency translation reserve <u>US \$</u></i>	<i>Total <u>US \$</u></i>
As at 31 March 2022	81,660	(90,308)	7	(8,641)
Foreign currency translation reserve	-	-	(5)	(5)
(Loss) for the year	<u>-</u>	<u>(65,489)</u>	<u>-</u>	<u>(65,489)</u>
As at 31 March 2023	81,660	(155,797)	2	(74,135)
Foreign currency translation reserve	-	-	4	4
Profit for the year	<u>-</u>	<u>99,624</u>	<u>-</u>	<u>99,624</u>
As at 31 March 2024	<u>81,660</u>	<u>(56,173)</u>	<u>6</u>	<u>25,493</u>

The accompanying notes 1 to 13 form an integral part of these Financial Statements

SHARDA IMPEX TRADING LLC

Statement of Cash Flows

for the year ended 31 March 2024

	2024 <u>US \$</u>	2023 <u>US \$</u>
<u>Cash flows from operating activities</u>		
Profit/ (loss) for the year	99,624	(65,489)
Adjustments for:		
Depreciation	<u>93</u>	<u>-</u>
Operating profit before working capital changes	99,717	(65,489)
Changes in deposits and advances	9,188	(9,188)
Changes in prepayments	(2,768)	2,949
Changes in accruals	(617)	1,011
Changes in due to a related party (net)	<u>(107,382)</u>	<u>64,402</u>
Net cash (used in) operating activities	<u>(1,862)</u>	<u>(6,315)</u>
<u>Cash flows from investing activities</u>		
Purchase of fixed assets	<u>(463)</u>	<u>-</u>
Net cash (used in) from investing activities	<u>(463)</u>	<u>-</u>
<u>Cash flows from financing activities</u>		
Foreign currency translation reserve	<u>4</u>	<u>(5)</u>
Net cash from/(used in) financing activities	<u>4</u>	<u>(5)</u>
Net changes in cash and cash equivalents	(2,321)	(6,320)
Cash and cash equivalents at beginning of the year	<u>19,403</u>	<u>25,723</u>
Cash and cash equivalents at end of the year	<u>17,082</u>	<u>19,403</u>

The accompanying notes 1 to 13 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 2024***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. During the year, the company has provided marketing services to its parent company and has earned service income.

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 2023 and the applicable requirements of the Commercial Company Law No. 2 of 2015.

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.

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.

SHARDA IMPEX TRADING LLC

Notes to the Financial Statements for the year ended 31 March 2024

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.

Residual values of fixed assets

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

Estimated useful life of fixed assets

Management determines the estimated useful lives and depreciation charge for its fixed assets at the time of addition of the assets and is reviewed on annual basis.

4. Adoption of new and revised 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:

- IFRS17 - Insurance Contracts
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies
- Amendments to IAS 8 - Definition of accounting estimates
- Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction
- Amendments to IAS 12-International Tax Reform-Pillar Two Model Rules

During the current year, the management has adopted the above 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 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 2024.

Amendments to IAS 7 -Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. Supplier Finance Arrangements- The effective date of the amendments is set for annual periods beginning on or after 1 January 2024.

Amendments to IAS 1 - Non-current liabilities with Covenants - The effective date of the amendments is set for annual periods beginning on or after 1 January 2024.

Amendments to IFRS 16 - Liability in a sale and leaseback - The effective date of the amendments is set for annual periods beginning on or after 1 January 2024.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates- Lack of Exchangeability.

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

SHARDA IMPEX TRADING LLC

Notes to the Financial Statements
for the year ended 31 March 2024

5. Significant accounting policies:**a) Depreciation of fixed assets**

The cost of fixed assets is depreciated by equal annual installments over their estimated useful lives as under:

Computers	3 years
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The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

b) 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

The company's financial liabilities include accruals and due to a related party. 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
 - 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.

SHARDA IMPEX TRADING LLC

Notes to the Financial Statements

for the year ended 31 March 2024

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

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.

c) 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.

d) 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.

e) Revenue recognition

During the year, the company has provided marketing services to its parent company. The company recognizes revenue when it transfers control over a service to its parent company. Revenue from providing services is recognized in the accounting period in which the services are rendered.

6. Share capital**Authorized, issued and paid up:**

(300 shares of AED 1,000 each)

(US \$ 1 @ AED 3.673)

2024

US \$

2023

US \$81,66081,660**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.

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

2024

US \$Parent Co

2023

US \$

Other income

212,339

40,832

SHARDA IMPEX TRADING LLC

Notes to the Financial Statements
for the year ended 31 March 2024

Related party transactions (contd.)

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

<i>2024</i>	<i>2023</i>
<i>Parent company</i>	
<u><i>US \$</i></u>	<u><i>US \$</i></u>

Included in current liabilities:

Due to a related party:

Sharda International DMCC, U.A.E.	-	107,382
	<i>2024</i>	<i>2023</i>
	<u><i>US \$</i></u>	<u><i>US \$</i></u>

8. Expenses

Salary expense	44,281	39,198
Rent expense	32,302	32,328
Other administrative expenses	<u>36,132</u>	<u>34,795</u>
	<u>112,715</u>	<u>106,321</u>

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

The Company has no exposure to the Credit risk, Market risk and Liquidity risk from its use financial instruments.

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 deposits and advances 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. Taxation

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("Corporate Tax Law" or "the Law") to enact a Federal Corporate Tax ("CT") regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% CT rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 - Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000, and a rate of 0% will apply on qualifying income of qualifying free zone entities.

The Company will be subject to the provisions of the UAE Corporate Tax Law with effect from 1 April 2024, and the possible impact for current and deferred tax shall be accounted for as appropriate in the statement of financial position for the financial year beginning 1 April 2024.

13. Comparative figures

Previous year's figures have been regrouped/ reclassified wherever necessary to confirm to the presentation adopted in the current year.