

# SARDA GLOBAL TRADING DMCC

## DIRECTOR'S REPORT YEAR ENDED 31 MARCH 2021

The Director submits the annual report and accounts for the year ended 31 March 2021. The Director approves the financial statements and confirms that he is responsible for these, including selecting the accounting policies and making the judgments underlying them. The Director confirms that he has made available all relevant accounting records and information for his compilation.

### Management of the company

The management of the company is entrusted with Mr. Dinesh Kumar Lahoti in accordance with the license of the company, which continues to be in operation.

### Financial results

	<b>01 Apr 2020 to 31 Mar 2021 AED</b>	<b>01 Jan 2019 to 31 Mar 2020 AED</b>
Revenue	301,865	---
Other income	7,372,338	318,170
Fair value gain / (loss) on investments	4,736,709	(4,162,656)
Profit / (loss) for the year	11,429,680	(4,575,616)

### Review of the business

The company's primary activity is Coal & Firewood Trading, Metal Ores Trading and Scrap & Metal Waste Trading Abroad.

### Events since the end of the year

There are no significant events since the end of the year that materially affect the financial position.

### Shareholders and their interests

The name of the shareholder as at 31 March 2021 and its interest as at that date in the share capital of the company was as follows:

<b>Name of the shareholder</b>	<b>No. of shares</b>	<b>AED</b>
Sarda Energy & Minerals Limited, India	1,000	1,000,000
<b>Total</b>	<b>1,000</b>	<b>1,000,000</b>

### Auditors

**ASR Chartered Accountants** were appointed as independent auditors for the year ended 31 March 2021 and it is proposed that they be re-appointed for the year ending 31 March 2022.

### DIRECTOR(S)

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF SARDA GLOBAL TRADING DMCC**

**Report on the financial statements**

We have audited the accompanying financial statements of SARDA GLOBAL TRADING DMCC, which comprise the statement of financial position as at 31 March 2021 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 3 to 13.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error: selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, in the auditor considers internal control relevant to the entities preparation and fair presentation of the financial statements 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 entities internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation for the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of SARDA GLOBAL TRADING DMCC as of 31 March 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Report on the other legal and regulatory requirements**

We further confirm that financial statements comply with the implementing rules and regulations issued by the Dubai Multi Commodities Centre Authority and proper books of account have been kept by the company and the contents of the report of the director relating to these financial statements are in agreement with the books of account. To the best of our knowledge and belief no violations of the articles of association of the company or the regulations of the Dubai Multi Commodities Centre, Dubai U.A.E have occurred during the year, which would have had a material effect on the business of the company or on its financial position.

Dubai 18.05.2021  
United Arab Emirates  
Ref: AAR - 964

ASR CHARTERED ACCOUNTANTS  
REGN# 529

# SARDA GLOBAL TRADING DMCC

## STATEMENT OF FINANCIAL POSITION 31 MARCH 2021

	Notes	31 Mar 2021 AED	31 Mar 2020 AED
<b>NON - CURRENT ASSETS</b>		---	---
<b>CURRENT ASSETS</b>		<b>17,753,647</b>	<b>6,185,477</b>
Trade and other receivables	3	1,276,639	295,336
Cash and cash equivalents	4	266,115	95,494
Other current financial assets	5	16,210,893	5,794,647
<b>TOTAL ASSETS</b>		<b><u>17,753,647</u></b>	<b><u>6,185,477</u></b>
<b>CURRENT LIABILITIES</b>		<b>10,324,120</b>	<b>10,185,630</b>
Amounts due to related parties	6	10,165,684	10,128,403
Trade and other payables	7	158,436	57,227
<b>SHAREHOLDER'S FUNDS</b>		<b>7,429,527</b>	<b>(4,000,153)</b>
Share capital	8	1,000,000	1,000,000
Retained earnings / Accumulated losses		<u>6,429,527</u>	<u>(5,000,153)</u>
Equity deficit		7,429,527	(4,000,153)
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>17,753,647</u></b>	<b><u>6,185,477</u></b>

The accompanying notes form an integral part of these financial statements.  
The report of independent auditors is set forth on page 2.

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

Approved by the management on: 16.05.2021

For **SARDA GLOBAL TRADING DMCC**

**DIRECTOR(S)**

**SARDA GLOBAL TRADING DMCC**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 MARCH 2021**

	Notes	01 Apr 2020 to 31 Mar 2021 AED	01 Jan 2019 to 31 Mar 2020 AED
<b>REVENUE</b>	9	<b>301,865</b>	---
Cost of goods sold	10	(296,107)	---
<b>GROSS PROFIT</b>		<b>5,758</b>	---
Staff benefits	11	(505,205)	(623,135)
Other operating expenses	12	(179,920)	(107,995)
Gain / (Loss) on financial assets at fair value through profit or loss	13	4,736,709	(4,162,656)
Other income	14	7,372,338	318,170
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>11,429,680</b>	<b>(4,575,616)</b>
Other comprehensive income		---	---
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>11,429,680</b>	<b>(4,575,616)</b>

The accompanying notes form an integral part of these financial statements.  
The report of the independent auditor is set forth on page 2.

## SARDA GLOBAL TRADING DMCC

### STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2021

	Share capital	Retained earnings / Accumulated losses	Total
	AED	AED	AED
<b>As at 31 Dec 2018</b>	<b><u>200,000</u></b>	<b><u>(424,537)</u></b>	<b><u>(224,537)</u></b>
Share capital introduced	800,000	---	800,000
Loss for the period	---	(4,575,616)	(4,575,616)
<b>As at 31 Mar 2020</b>	<b><u>1,000,000</u></b>	<b><u>(5,000,153)</u></b>	<b><u>(4,000,153)</u></b>
Profit for the year	---	11,429,680	11,429,680
<b>As at 31 Mar 2021</b>	<b><u>1,000,000</u></b>	<b><u>6,429,527</u></b>	<b><u>7,429,527</u></b>

The accompanying notes form an integral part of these financial statements.  
The report of the independent auditors is set forth on page 2.

# SARDA GLOBAL TRADING DMCC

## CASH FLOW STATEMENT YEAR ENDED 31 MARCH 2021

	Notes	01 Apr 2020 to 31 Mar 2021 AED	01 Jan 2019 to 31 Mar 2020 AED
<b>Cash flows from operating activities</b>			
Cash generated from / (used in) operations	15	133,340	(10,637,286)
<b>Net cash generated from / (used in) operating activities (A)</b>		<b>133,340</b>	<b>(10,637,286)</b>
<b>Cash flows from investing activities</b>			
<b>Net cash from investing activities (B)</b>		---	---
<b>Cash flows from financing activities</b>			
Share capital introduced	8	---	800,000
Increase in amounts due to related party		37,281	9,803,880
(Decrease) in loan from the shareholder		---	(61,726)
<b>Net cash generated from financing activities (C)</b>		<b>37,281</b>	<b>10,542,154</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>170,621</b>	<b>(95,132)</b>
Cash and cash equivalents at beginning of the year		95,494	190,626
<b>Cash and cash equivalents at end of the year</b>	4	<b><u>266,115</u></b>	<b><u>95,494</u></b>

The accompanying notes form an integral part of these financial statements.  
The report of the independent auditors is set forth on page 2.

**SARDA GLOBAL TRADING DMCC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2021**

**1. LEGAL STATUS AND BUSINESS ACTIVITY**

- a) SARDA GLOBAL TRADING DMCC is incorporated as a limited liability company with Dubai Multi Commodities Centre Authority, Government of Dubai, U.A.E under license no. DMCC - 411558 with effect from 12 March 2018. The registered office of the company is situated at Unit No. 1241, DMCC Business Centre, Level No 1, Jewellery & Gemplex 3, Dubai, United Arab Emirates.
- b) The company's primary activity is Coal & Firewood Trading, Metal Ores Trading and Scrap & Metal Waste Trading Abroad.

The company has earned majority of its income from the investments and trading into shares and derivatives products during the year.

- c) The company is 100% owned by Sarda Energy & Minerals Limited, India.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting years beginning on or after 1st April 2020 and the requirements of UAE Commercial Companies Law of 1984, as amended and the implementing rules and regulations of the Dubai Multi-Commodities Centre Authority, Dubai U.A.E. The significant accounting policies adopted, and that has been consistently applied, are as follows:

**a) Revenue**

Revenue is recognized when significant risks and rewards relating to the ownership of goods concerned are transferred to customer and is based on amount invoiced to customers for sales made during the year. However, the company did not generate any revenue through the operating activities.

Dividend revenue is recognised on the date when the company's right to receive the payment is established. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income. Dividend expense relating to equity securities sold short is recognised when the shareholders' right to receive the payment is established.

**b) Leases**

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to the income statement on a straight-line basis over the year of lease.

**c) Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirham at the rate of exchange ruling on the date of the transactions. Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirham at the rate of exchange ruling at the date of statement of financial position. Gains or losses resulting from foreign currency transactions are taken to the statement of comprehensive income.

**d) Cash and cash equivalents**

Cash and cash equivalents comprise cash, bank current accounts, and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit.

**e) Investments in shares**

Investment in equity shares is initially valued at cost and is subsequently measured at fair value. Where the fair value of the investments cannot be estimated, are measured at cost subject to provision for impairment if any.

# SARDA GLOBAL TRADING DMCC

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

### f) **Financial instruments**

Financial assets and financial liabilities are recognised when, and only when, the company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are de-recognised when, and only when, they are extinguished cancelled or expired.

Current financial assets that have fixed or determinable payments and for which there is no active market, which comprise trade and other receivables is classified as loans and receivables and are stated at cost or, if the impact is material, at amortized cost using the effective interest method, less any write down for impairment losses plus reversals of impairment losses. Impairment losses and reversals thereof are recognized in the income statement.

Current and non-current financial liabilities which comprise of loans and accruals are measured at cost or, if the impact is material, at amortized cost using the effective interest method.

### g) **Net gains or losses on financial assets and liabilities at FVPL**

Net gains or losses on financial assets and liabilities at FVPL are changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at FVPL and exclude interest and dividend income and expenses. Unrealised gains and losses comprise changes in the fair value of financial instruments for the year and from reversal of the prior year's unrealised gains and losses for financial instruments which were realised in the reporting year. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts.

### h) **Significant judgments and key assumptions**

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:

#### ***Impairment***

At each statement of financial position date, management conducts an assessment of 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 other receivables, if an amount is deemed irrecoverable, it is written off to the income statement or, if previously 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.

Key assumptions made concerning the future and other key sources of estimation uncertainty at the statement of financial position 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***

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



**SARDA GLOBAL TRADING DMCC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2021**

**i) Adoption of revised and new International Financial Reporting Standards**

The company has applied certain standards and amendments, which are effective for annual years beginning on or after 1 January 2020. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Although these new standards and amendments applied for the first time in 2020, they did not have any impact on the annual financial statements of the company. The following new standards and amendments became effective as of 1 January 2020:

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Definition of a Business (Amendments to IFRS 3)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)

These amendments are not expected to have a material impact on the Company.

**New and revised IFRSs in issue but not yet effective**

The following International Financial Reporting Standards, amendments there to 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 years and the management do not expect that the adoption of below listed standards will have a material impact on the financial statements of the company.

- IFRS 17 Insurance Contracts
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- Amendments to IFRS 17 Insurance Contracts
- Extension of the Temporary Exemption from Applying IFRS 9 - Amendments to IFRS 4
- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 Interest Rate Benchmark Reform — Phase 2

**SARDA GLOBAL TRADING DMCC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2021**

	<b>31 Mar 2021</b>	<b>31 Mar 2020</b>
	<b>AED</b>	<b>AED</b>
<b>3. TRADE AND OTHER RECEIVABLES</b>	<b>1,276,639</b>	<b>295,336</b>
Deposits	1,000	4,000
Prepayments	15,343	19,171
Advances	15,650	16,284
Other receivables	1,244,646	255,881
<b>4. CASH AND CASH EQUIVALENTS</b>	<b>266,115</b>	<b>95,494</b>
Bank current accounts	266,115	95,494
<b>5. OTHER CURRENT FINANCIAL ASSETS</b>	<b>16,210,893</b>	<b>5,794,647</b>
Investment in shares, commodities and derivatives	11,474,184	9,957,303
Add/ (Less): Fair value gain / (loss) for the year	4,736,709	(4,162,656)
<b>6. RELATED PARTY</b>		
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. Related party comprises the shareholder.		
At the statement of financial position date significant balances with related parties were as below;		
<b>Amounts due to related party</b>		
From companies under common control:	<b>10,165,684</b>	<b>10,128,403</b>
- Sarda Energy & Minerals HK Ltd.	10,165,684	10,128,403
Other balances with related party as on the date of statement of financial position were as below;		
- Amounts due to the director (Refer note – 7)	150,763	52,172
Significant net transactions with related party during the year:		
Managerial remuneration (Included in staff benefits)	492,000	615,000
Sales to related party	301,865	---
The above balances are unsecured and expected to be settled in cash.		
<b>7. TRADE AND OTHER PAYABLES</b>	<b>158,436</b>	<b>57,227</b>
Provision and other payables	158,436	57,227
(Includes amount due to related party) (Refer note – 6)		
<b>8. SHARE CAPITAL</b>	<b>1,000,000</b>	<b>1,000,000</b>
1,000 shares of AED 1,000/- each	1,000,000	1,000,000
(Issued and fully paid up)		

**SARDA GLOBAL TRADING DMCC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2021**

	01 Apr 2020 to 31 Mar 2021 AED	01 Jan 2019 to 31 Mar 2020 AED
<b>9. REVENUE</b>	<b>301,865</b>	---
Sales revenue	301,865	---
<b>10. COST OF GOODS SOLD</b>	<b>296,107</b>	---
Purchase and direct costs	296,107	---
<b>11. STAFF BENEFITS</b>	<b>505,205</b>	<b>623,135</b>
Salary and allowances	492,000	615,000
Other staff related expenses	13,205	8,135
<b>12. OTHER OPERATING EXPENSES</b>	<b>179,920</b>	<b>107,995</b>
Rent	17,411	22,048
Legal, professional and license fees	29,853	48,565
Travelling and conveyance	2,388	5,130
Communication	7,507	11,003
Finance costs	63,127	17,730
Other administrative expenses	59,634	3,519
<b>13. GAIN / (LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>4,736,709</b>	<b>(4,162,656)</b>
Gains / (loss) on financial assets	4,736,709	(4,162,656)
<b>14. OTHER INCOME</b>	<b>7,372,338</b>	<b>318,170</b>
Dividend income	423,953	63,532
Profit on sale of investments	6,948,385	182,296
Other misc. income	---	72,342
<b>15. CASH GENERATED FROM / (USED IN) OPERATIONS</b>	<b>133,340</b>	<b>(10,637,286)</b>
Profit / (loss) for the year	11,429,680	(4,575,616)
Adjustments:		
Dividend income	(423,953)	(63,532)
Profit on sale of investments	(6,948,385)	(182,296)
Fair value loss on investments	(4,736,709)	4,162,656
<b>Operating loss before changes in operating Assets and liabilities</b>	<b>(679,367)</b>	<b>(658,788)</b>
(Increase) in trade and other receivables	(981,303)	(278,578)
(Increase) in investments in shares, commodities and derivatives	(5,679,537)	(9,957,303)
Dividend income	423,953	63,532
Profit on sale of investments	6,948,385	182,296
Increase in trade and other payables	101,209	11,555
<b>Changes in operating assets / liabilities</b>	<b>812,707</b>	<b>(9,978,498)</b>

**SARDA GLOBAL TRADING DMCC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2021**

**16. 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 investments commensurate with the level of risk assumed. Capital comprises equity funds as presented in the statement of financial position together with amounts due to / due from related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The company is subject to imposed capital requirements as per provisions of Regulation no 1/03, issued by the Dubai Multi Commodities Centre Authority. The company has complied with all the capital requirements to which it is subject. Funds received from related parties net of funds provided to related parties are retained in the business according to the business requirements and maintain capital at desired levels.

**17. FINANCIAL INSTRUMENTS**

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, currency, liquidity and cash flow 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.

The company transacts in foreign currencies. Exposure is minimized where possible by denominating such transactions in UAE Dirham or in US Dollar to which the UAE Dirham is pegged.

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities in order to manage exposure to liquidity risk.

Exposures to the abovementioned risks are detailed below:

**Credit risk**

Financial assets that potentially expose the company to concentrations of credit risk comprise principally bank accounts and other receivables. The company's bank accounts are placed with high credit quality financial institutions.

**Interest rate risk**

Shareholders' current account is interest free and hence no exposure to interest rate risk. Reasonably possible changes to interest rates at the statement of financial position date are unlikely to have had a significant impact on profit or equity.

**Exchange rate risk**

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in UAE Dirham or in US dollar to which the UAE Dirham is pegged. Reasonably possible changes to exchange rates at the statement of financial position date are unlikely to have had a significant impact on profit or equity.

**Fair values**

The fair value of financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of the financial assets and financial liabilities which are required to be carried at cost or at amortised cost approximates to their carrying values.

**SARDA GLOBAL TRADING DMCC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2021**

**18. CONTINGENT LIABILITIES**

Except for ongoing business obligations which are under normal course of business against which no loss is detected, there has been no other known contingent liability or capital commitment on the company's account as at the statement of financial position date.

**19. COMPARATIVE FIGURES**

The current year financial statements are for 12 months and hence strictly not comparable with the previous period's financial statement which are from 1st January 2019 to 31st March 2021. The amounts in Director's report and financial statements have been rounded off to the nearest UAE Dirham.

For **SARDA GLOBAL TRADING DMCC**

**DIRECTOR(S)**