

SARDA GLOBAL TRADING DMCC

DIRECTOR'S REPORT YEAR ENDED 31 MARCH 2023

The Director submits the annual report and accounts for the year ended 31 March 2023. 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

	01 Apr 2022 to 31 Mar 2023 AED	01 Apr 2021 to 31 Mar 2022 AED
Revenue	4,408,569	784,004
Other income	177,006	1,325,162
Fair value gain / (loss) on investments	43,702	(4,870,971)
Loss for the year	(652,674)	(4,314,703)

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 2023 and its interest as at that date in the share capital of the company was as follows:

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

Auditors

ASR Chartered Accountants were appointed as independent auditors for the year ended 31 March 2023 and it is proposed that they be re-appointed for the year ending 31 March 2024.

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 2023 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, the auditor considers internal control relevant to the entity's 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 2023 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, 11/05/23
United Arab Emirates
Ref: AAR- 1173

ASR CHARTERED ACCOUNTANTS
Regn# 513

SARDA GLOBAL TRADING DMCC

STATEMENT OF FINANCIAL POSITION 31 MARCH 2023

	Notes	31 Mar 2023 AED	31 Mar 2022 AED
NON - CURRENT ASSETS		1,795	2,991
Property, plant and equipment	3	1,795	2,991
CURRENT ASSETS		10,294,880	17,452,523
Trade and other receivables	4	47,407	69,980
Cash and cash equivalents	5	89,636	73,951
Other current financial assets	6	10,157,837	17,308,592
TOTAL ASSETS		<u>10,296,675</u>	<u>17,455,514</u>
CURRENT LIABILITIES		7,834,525	14,340,690
Amounts due to related parties	7	6,005,839	10,165,684
Trade and other payables	8	1,828,686	4,175,006
SHAREHOLDER'S FUNDS		2,462,150	3,114,824
Share capital	9	1,000,000	1,000,000
Retained earnings		<u>1,462,150</u>	<u>2,114,824</u>
Equity deficit		2,462,150	3,114,824
TOTAL EQUITY AND LIABILITIES		<u>10,296,675</u>	<u>17,455,514</u>

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: 10-05-2023

For **SARDA GLOBAL TRADING DMCC**

DIRECTOR(S)

SARDA GLOBAL TRADING DMCC
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2023

	Notes	01 Apr 2022 to 31 Mar 2023 AED	01 Apr 2021 to 31 Mar 2022 AED
REVENUE	10	4,408,569	784,004
Cost of goods sold	11	(4,343,984)	(767,671)
GROSS PROFIT		64,585	16,333
Staff benefits	12	(489,484)	(434,554)
Other operating expenses	13	(447,287)	(350,409)
Depreciation	3	(1,196)	(264)
Gain / (Loss) on financial assets at fair value through profit or loss	14	43,702	(4,870,971)
Other income	15	177,006	1,325,162
LOSS FOR THE YEAR		(652,674)	(4,314,703)
Other comprehensive income		---	---
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(652,674)	(4,314,703)

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 2023

	Share capital AED	Retained earnings AED	Total AED
As at 31 Mar 2021	<u>1,000,000</u>	<u>6,429,527</u>	<u>7,429,527</u>
Loss for the year	---	(4,314,703)	(4,314,703)
As at 31 Mar 2022	<u>1,000,000</u>	<u>2,114,824</u>	<u>3,114,824</u>
Loss for the year	---	(652,674)	(652,674)
As at 31 Mar 2023	<u>1,000,000</u>	<u>1,462,150</u>	<u>2,462,150</u>

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 2023

	Notes	01 Apr 2022 to 31 Mar 2023 AED	01 Apr 2021 to 31 Mar 2022 AED
Cash flows from operating activities			
Cash generated from / (used in) operations	15	4,175,530	(188,909)
Net cash generated from / (used in) operating activities (A)		4,175,530	(188,909)
Cash flows from investing activities			
Purchase of property, plant and equipment		---	(3,255)
Net cash (used in) investing activities (B)		---	(3,255)
Cash flows from financing activities			
Increase in amounts due to related party		(4,159,845)	---
Net cash (used in) financing activities (C)		(4,159,845)	---
Net increase / (decrease) in cash and cash equivalents (A+B+C)		15,685	(192,164)
Cash and cash equivalents at beginning of the year		73,951	266,115
Cash and cash equivalents at end of the year	4	<u>89,636</u>	<u>73,951</u>

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 2023

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.
- c) The company is wholly 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 2021 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.

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 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) Property, plant and office equipment

Property, plant and office equipment are stated at cost less accumulated depreciation and impairment losses. The cost of fixed assets less estimated residual value, where material is depreciated using the written down value method as below;

Computer and office equipment	40% per year
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d) 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.

SARDA GLOBAL TRADING DMCC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

e) **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.

f) **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.

g) **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.

h) **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.

i) **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.

SARDA GLOBAL TRADING DMCC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

i) **Significant judgments and key assumptions (Continued...)**

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.

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

The company has applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. 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 2022, they did not have a material impact on the annual financial statements of the company. The following new standards and amendments became effective as of 1 January 2022:

Amendments to IFRS 3 Reference to the Conceptual Framework

Amendments to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use

Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle;

- 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 Liabilities)
- IFRS 16 Leases (Lease Incentives)
- IAS 41 Agriculture (Taxation in Fair Value Measurements)

New and revised IFRS Standards in issue but not yet effective:

IFRS 17 (including the June 2020 and December 2021 amendments to IFRS 17) - Insurance Contracts

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

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

SARDA GLOBAL TRADING DMCC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

3. PROPERTY, PLANT AND EQUIPMENT	Computers AED	Total AED
As at 31 Mar 2023		
Cost	3,255	3,255
Accumulated depreciation	(1,460)	(1,460)
Net book values	1,795	1,795
Reconciliation of net book values		
As at 31 Mar 2021		
Addition during the year	3,255	3,255
Depreciation for the year	(264)	(264)
As at 31 Mar 2022	2,991	2,991
Depreciation for the year	(1,196)	(1,196)
As at 31 Mar 2023	1,795	1,795
	31 Mar 2023	31 Mar 2022
	AED	AED
4. TRADE AND OTHER RECEIVABLES	47,407	69,980
Deposits	1,000	1,000
Prepayments	19,173	19,173
Advances	15,650	15,650
Other receivables	11,584	34,157
5. CASH AND CASH EQUIVALENTS	89,636	73,951
Bank current accounts	89,636	73,951
6. OTHER CURRENT FINANCIAL ASSETS	10,157,837	17,308,592
Investment in securities	14,684,922	22,179,563
Add/ (Less): Fair value gain / (loss) for the year	(4,527,085)	(4,870,971)

7. RELATED PARTY

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;

Amounts due to related party	6,005,839	10,165,684
- Sarda Energy & Minerals HK Ltd.	6,005,839	10,165,684

Other balances with related party as on the date of statement of financial position were as below;

- Amounts due to the director (Refer note – 6)	38,848	41,947
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Significant net transactions with related party during the year:

Managerial remuneration (Included in staff benefits)	4661,76	376,296
Sales to related party	4,408,569	784,004

The above balances are unsecured and expected to be settled in cash.

SARDA GLOBAL TRADING DMCC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

	31 Mar 2023 AED	31 Mar 2022 AED
8. TRADE AND OTHER PAYABLES	1,828,686	4,175,006
Provision and other payables (Includes amount due to related party) (Refer note – 7)	1,828,686	4,175,006
9. SHARE CAPITAL	1,000,000	1,000,000
1,000 shares of AED 1,000/- each (Issued and fully paid up)	1,000,000	1,000,000
	01 Apr 2022 to 31 Mar 2023 AED	01 Apr 2021 to 31 Mar 2022 AED
10. REVENUE	4,408,569	784,004
Sales revenue	4,408,569	784,004
11. COST OF GOODS SOLD	4,343,984	767,671
Purchase and direct costs	4,343,984	767,671
12. STAFF BENEFITS	489,484	434,554
Salary and allowances	466,176	376,296
Other staff related expenses	23,308	58,258
13. OTHER OPERATING EXPENSES	447,287	350,409
Rent	16,800	16,800
Legal, professional and license fees	29,251	24,296
Travelling and conveyance	24,301	1,150
Communication	7,741	6,591
Finance costs	197,104	93,154
Other administrative expenses	172,090	208,418
14. GAIN / (LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	43,702	(4,870,971)
Gains / (loss) on financial assets	43,702	(4,870,971)
15. OTHER INCOME	177,006	1,325,162
Dividend income	328,503	711,873
Profit / (loss) on sale of investments	(166,064)	613,289
Interest received	14,567	---

SARDA GLOBAL TRADING DMCC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

	01 Apr 2022 to 31 Mar 2023 AED	01 Apr 2021 to 31 Mar 2022 AED
16. CASH GENERATED FROM / (USED IN) OPERATIONS	4,175,530	(188,909)
Loss for the year	(652,674)	(4,314,703)
Adjustments:		
Depreciation for the year	1,196	264
Dividend income	(328,503)	(711,873)
Profit on sale of investments	166,064	(613,289)
Fair value gain / (loss) on investments	(43,702)	4,870,971
Operating loss before changes in operating Assets and liabilities	(857,619)	(768,630)
Decrease in trade and other receivables	22,573	1,206,659
(Increase) / decrease in investments in shares, commodities and derivatives	7,194,457	(5,968,671)
Dividend income	328,503	711,873
Profit / (loss) on sale of investments	(166,064)	613,289
Increase in trade and other payables	(2,346,320)	4,016,571
Changes in operating assets / liabilities	5,033,149	579,721

17. 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.

18. 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:

SARDA GLOBAL TRADING DMCC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

18. FINANCIAL INSTRUMENTS (Continued...)

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.

19. 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.

20. COMPARATIVE FIGURES

Previous year's amounts have been regrouped / reclassified as it is considered that the revised grouping / classification, which has been adopted in the current accounting year, more fairly presents the state of affairs / results of operations.

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)