



**Auditing Company “Kreston Tashkent” L.L.C.**  
*An independent member of KRESTON INTERNATIONAL*

Uzbekistan, Tashkent, 100047, Yashnabad district,  
Istikbol street, 15  
Phone: (90) 346-34-43  
E-mail: [krestontashkent@gmail.com](mailto:krestontashkent@gmail.com)

---

**JOINT STOCK COMPANY  
“INDORAMA KOKAND FERTILIZERS AND CHEMICALS”  
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**FINANCIAL STATEMENTS  
INDEPENDENT AUDITOR’S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>Details</b>	<b>Page Nos</b>
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021	3
INDEPENDENT AUDITOR'S REPORT	4-5
FINANCIAL REPORT	6
STATEMENTS OF FINANCIAL POSITION	7
STATEMENT OF COMPREHENSIVE INCOME	8
STATEMENTS OF CHANGES IN EQUITY	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11-35

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS****STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED****DECEMBER 31, 2021**

The following statement, which should be read in conjunction with the independent auditors' responsibilities with a view to distinguishing the respective responsibilities of management and those of the independent auditors in relation to the financial statements of the JSC "Indorama Kokand Fertilizers and Chemicals" (the "Company").

Management of the Company is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at December 31, 2021, the results of its operations, cash flows and changes in capital for the year ended December 31, 2021 in accordance with the International Financial Reporting Standards (the "IFRS").

In preparing the financial statements, management is responsible for:

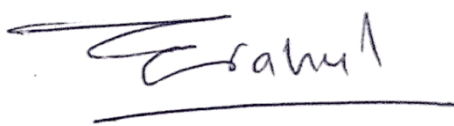
- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business for the foreseeable future.

Management of the Company is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal control, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with legislation, accounting standards of the Republic of Uzbekistan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud, errors and other irregularities.

The financial statements for the year ended December 31, 2021 were approved and authorized for issue on February 28, 2022 by the Management of the Company.

On behalf of the Management of the Company:



Rahul Singh  
General Director



Ganesh Chaudhary  
Chief Financial Officer

---

## INDEPENDENT AUDITOR'S REPORT

To the shareholders of JSC «INDORAMA KOKAND FERTILIZERS AND CHEMICALS»

### ***Opinion***

We have audited the accompanying financial statements of JSC «INDORAMA KOKAND FERTILIZERS AND CHEMICALS» (the "Company") which comprise the Statement of Financial Position as at 31 December 2021 and the Statement of Profits or Loss and Other Comprehensive Income, the Statement of Changes in Equity and Cash Flow Statement for the period from 1 January 2021 to 31 December 2021 and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present truly and fairly, in all material respects, the financial position of the Company as of 31 December 2021 and its financial performance and its cash flows for the period from 1 January 2021 to 31 December 2021 in accordance with International Financial Reporting Standards (IFRS).

### ***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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the independence requirements that are relevant to our audit of the financial statements in with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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 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 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 auditors' 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 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Auditor:**

**Andrey Pak**  
**General Director**

**KRESTON TASHKENT, LLC**

*15, Istikbol Street,  
100047, Tashkent,  
Republic of Uzbekistan*



**February 28, 2022**

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**

**JOINT STOCK COMPANY  
“INDORAMA KOKAND FERTILIZERS AND CHEMICALS”  
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**FINANCIAL REPORT**

**AS OF 31 DECEMBER 2021 (AUDITED) AND 31 DECEMBER 2020 (AUDITED)**

**AND FOR THE PERIOD ENDED 31 DECEMBER 2021 (AUDITED) AND 31 DECEMBER 2020 (AUDITED)**

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**
**STATEMENT OF FINANCIAL POSITION AS AT 31 DEC 2021**

	Note	2021 US\$	2020 US\$
<b>ASSETS</b>			
<b><u>Non-current Assets</u></b>			
Property, plant and equipment	(7)	36,007,479	27,861,851
Intangible assets	(8)	473,510	446,970
Financial assets at fair value through other comprehensive income	(9)	811	811
Other non-current assets	(10)	263,209	822,236
Deferred Tax Assets	(11)	16,721	15,124
<b>Total non-current assets</b>		<b>36,761,730</b>	<b>29,146,992</b>
<b><u>Current Assets</u></b>			
Inventories	(12)	5,460,924	810,461
Trade and other receivables	(13)	3,019,586	707,866
Other current assets	(14)	2,068,401	89,616
Fixed Deposits	(15)	553,625	-
Cash and cash equivalents	(16)	3,779,881	4,494,321
<b>Total current assets</b>		<b>14,882,417</b>	<b>6,102,264</b>
<b>Total assets</b>		<b>51,644,147</b>	<b>35,249,256</b>
<b>EQUITY AND LIABILITIES</b>			
<b><u>Capital and Reserves</u></b>			
Equity Share capital	(17)	1,181,201	1,191,392
Preference Share Capital	(17)	10,191	-
Revaluation reserve	(18)	2,315,107	2,281,655
Retained earnings		4,933,780	(1,437,497)
<b>Total equity</b>		<b>8,440,279</b>	<b>2,035,550</b>
<b><u>Non-Current Liabilities</u></b>			
Long Term borrowings from financial institutions	(19)	22,809,524	25,000,000
<b>Total non-current liabilities</b>		<b>22,809,524</b>	<b>25,000,000</b>
<b><u>Current Liabilities</u></b>			
Loan from group companies	(20)	8,700,000	5,700,000
Short term borrowings from financial institutions	(20)	5,000,000	-
Current maturities of long term borrowing from financial institution	(20)	2,190,476	-
Trade and other payables	(21)	4,503,868	2,513,706
<b>Total current liabilities</b>		<b>20,394,344</b>	<b>8,213,706</b>
<b>Total liabilities</b>		<b>43,203,868</b>	<b>33,213,706</b>
<b>Total equity and liabilities</b>		<b>51,644,147</b>	<b>35,249,256</b>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**
**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DEC 2021**

	Note	Company	
		2021 US\$	2020 US\$
<b>Revenue</b>	(22)	27,386,083	320,813
Cost of sales	(23)	(14,975,427)	(203,428)
<b>Gross profit</b>		<b>12,410,656</b>	<b>117,385</b>
Other income	(24)	189,676	190,053
Selling and distribution expenses	(25)	(923,857)	(102,250)
Administrative expenses	(26)	(4,126,463)	(1,102,264)
Other operating expenses	(27)	(345,193)	(430,775)
Finance costs	(28)	(834,692)	-
<b>Profit before income tax</b>		<b>6,370,127</b>	<b>(1,327,851)</b>
<b>Income tax expense</b>			
- current year		-	-
- deferred tax		1,598	-
		1,598	-
<b>Profit for the year</b>		<b>6,371,725</b>	<b>(1,327,851)</b>

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DEC 2021**

	Company	
	2021 US\$	2020 US\$
<b>Profit for the year</b>	<b>6,371,725</b>	<b>(1,327,851)</b>
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
- Revaluation of PPE	44,534	(194,626)
	<b>44,534</b>	<b>(194,626)</b>
<b>Total comprehensive income for the year</b>	<b>6,416,259</b>	<b>(1,522,477)</b>
<b>Profit attributable to:</b>		
Owners of the company	6,371,725	(1,327,851)
	<b>6,371,725</b>	<b>(1,327,851)</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	6,416,259	(1,522,477)
	<b>6,416,259</b>	<b>(1,522,477)</b>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.



**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**
**STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 Dec 2021**

Attributable to Equity Holder of the Company

	Share Capital	Equity Reserve	Preference shares	Revaluation Reserve	Retained Earning	Total	Non -controlling Interest	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance as at 01 Jan 2021	1,191,392	387,475	-	2,281,655	(1,824,972)	2,035,550	-	2,035,550
Restated adjustment	(10,191)	-	10,191	-	-	-	-	-
Balance as at 01 Jan 2021 (Restated)	1,181,201	387,475	10,191	2,281,655	(1,824,972)	2,035,550	-	2,035,550
Profit for the year	-	-	-	-	6,371,724	6,371,724	-	6,371,724
Transfer from reserves to retained earnings	-	(20,290)	-	(11,081)	20,290	(11,081)	-	(11,081)
Other comprehensive income	-	-	-	44,534	-	44,534	-	44,534
Dividend	-	(448)	-	-	-	(448)	-	(448)
Balance as at 31 Dec 2021	1,181,201	366,737	10,191	2,315,108	4,567,042	8,440,279	-	8,440,279

**STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 Dec 2020**

Attributable to Equity Holder of the Company

	Share Capital	Equity Reserve	Preference shares	Revaluation Reserve	Retained Earning	Total	Non -controlling Interest	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance as at 01 Jan 2020	1,191,392	367,652	-	2,476,281	(497,121)	3,538,204	-	3,538,204
Restated adjustment	-	-	-	-	-	-	-	-
Balance as at 01 Jan 2020 (Restated)	1,191,392	367,652	-	2,476,281	(497,121)	3,538,204	-	3,538,204
Profit for the year	-	-	-	-	(1,327,851)	(1,327,851)	-	(1,327,851)
Transfer from reserves to retained earnings	-	20,290	-	-	-	20,290	-	20,290
Other comprehensive income	-	-	-	(194,626)	-	(194,626)	-	(194,626)
Dividends	-	(467)	-	-	-	(467)	-	(467)
Balance as at 31 Dec 2020	1,191,392	387,475	-	2,281,655	(1,824,972)	2,035,550	-	2,035,550

The accompanying accounting policies and explanatory notes form an integral part of these financial statement

**Note**

Reclassification has been done when comparing with 31 Dec 2020 Annual Audit Report as below:

\* Fair Value reserve of USD 10,152 generated in 2020 has been included in Revaluation reserve of USD 2,281,655

\* Retained earnings of USD 268,307 as on 1<sup>st</sup> July 2019 has been reclassified from retained earnings to Equity Reserve as per the Group requirement

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**
**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 Dec 2021**

	<u>Note</u>	<u>Company</u>	
		<u>2021</u> US\$	<u>2020</u> US\$
<b><u>Cash flows from operating activities:</u></b>			
Profit before income tax		6,370,127	(1,327,851)
<b>Adjustments for:</b>			
PPE written off		-	253,686
Amortisation and depreciation expense		2,493,650	215,178
Loss on disposal of PPE		-	(36,608)
Operating profit before working capital changes		<b>9,184,386</b>	<b>(902,763)</b>
Changes in inventories		(4,650,462)	(174,009)
Changes in trade and other receivables		(2,320,356)	(514,515)
Changes in trade and other payables		2,831,757	1,824,220
Changes in other non-current assets		557,430	(837,360)
Changes in other current assets		(1,996,295)	574,666
Changes in other non-current liabilities		34,602	(174,803)
Cash from / (used in) operations		<b>3,641,062</b>	<b>(204,564)</b>
Net cash generated from / (used in) operating activities		<b>3,641,062</b>	<b>(204,564)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(10,638,071)	(23,799,631)
Proceeds from sale of property, plant and equipment		45,792	52,136
Net cash from / (used in) investing activities		<b>(11,168,713)</b>	<b>(23,740,327)</b>
<b>Cash flows from financing activities</b>			
Loans to/from related parties		3,000,000	700,000
Net cash from / (used in) financing activities		<b>7,158,404</b>	<b>25,699,678</b>
Net movements in cash and cash equivalents		(369,247)	1,754,787
Cash and cash equivalent at beginning of year		4,494,321	2,739,534
Cash and cash equivalents at the end of the year		<b>3,779,881</b>	<b>4,494,321</b>
<b><u>Cash and cash equivalents comprise of:</u></b>			
Cash and bank balances		3,779,881	4,494,321
Cash and cash equivalents at the end of the year		<b>3,779,881</b>	<b>4,494,321</b>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

## JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 December 2021

#### 1. GENERAL

JOINT STOCK COMPANY INDORAMA KOKAND FERTILIZERS AND CHEMICALS (the “Company”) was created by acquiring a 95.54% state stake in KOKAND SUPERPHOSPHATE FACTORY JSC, this share was created through privatization on the basis of Order No. 91k-PO of the State Committee for management of state property and entrepreneurship support of the Republic of Uzbekistan dated May 30, 1997 and on the basis of order No. 13PR of the State Committee for Management of State Property and Entrepreneurship Support of the Ferghana Region dated March 14, 2006 years, registered by the khokimiyat of the city of Kokand, Ferghana region of the Republic of Uzbekistan on July 9, 2014 and certificate No. I-1749 was issued.

At the extraordinary general meeting of shareholders on August 14, 2019, the Company name was changed from “KOKAND SUPERPHOSPHATE FACTORY” to “INDORAMA KOKAND FERTILIZERS AND CHEMICALS” and re-registered on August 20, 2019, with the State Services Agency.

The Company conducts its activities in accordance with the legislation of the Republic of Uzbekistan.

The Company's activity is the production of mineral phosphorus fertilizers for agricultural enterprises of the Republic of Uzbekistan and other consumers.

Sale of finished products is possible to carry out both by direct contract and commodity trading exchange.

Legal address of the Company:

87 Davronbek St., Kokand, Ferghana region,  
Republic of Uzbekistan.  
Zip Code: 151700.  
E-mail: [ikf@indorama-uz.com](mailto:ikf@indorama-uz.com)  
web: [www.indoramakokandfertilizer.com](http://www.indoramakokandfertilizer.com)

The number of employees of the company as on 1st Jan 2021 was 403 and at 31st Dec 2021 was 512.

The structure of shareholders of the company as at 31st Dec 2021:

No	Shareholders	Eq Shares	Pref Sh	Amount (USD)	%
1	Indorama Holdings B.V.	928,946	-	1,137,717	95.54%
2	Alp Omad Invest LLC	79	10	110	0.01%
3	The share of the employees and legal entities	35,426	7,805	53,565	4.45%
	Total	964,451	7,815	1,191,392	100%

Presentation Currency: These financial statements are presented in United States Dollars (USD), unless otherwise stated.

#### 2. OPERATING ENVIRONMENT OF THE COMPANY

Republic of Uzbekistan: The Uzbekistan economy displays characteristics of an emerging market, including but not limited to a currency that is not freely convertible outside of the country and a low level of liquidity in debt and equity markets. Economic stability in Uzbekistan is largely dependent upon the effectiveness of economic measures undertaken by the Government of Uzbekistan, together with other legal, regulatory, and political developments, all of which are beyond the Company's control. During the year entire world business has been affected by COVID-19 and same affected Uzbekistan Economy. Uzbekistan's economy is proving relatively resilient to the impact of Covid-19 compared with other countries in Central Asia.

## JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS

The Company's financial position and operating results may be affected by future political and economic developments in Uzbekistan including the application and interpretation of existing and future legislation and tax regulations which greatly impact Uzbek financial markets and the economy overall. Management is unable to predict all developments which could have an impact on the fertilizer manufacturing sector generally and on the financial position of the Company in particular. Uzbekistan experienced following key economic indicators in 2021:

- Inflation: 9.98% (2020: 11.1%);
- GDP growth: 6.2% (2020: 0.8%);
- Central Bank refinancing rate: 14% (2020: 14%).

The official exchange rate as on 31st Dec 2021: 10,837.66 UZS / USD (as of 31st Dec 2020: 10,476.92 UZS / USD, 31st Dec 2019: 9,507.56 UZS / USD).

Under the Investment agreement dated 22nd Oct 2019, Company made an investment of USD 38.79 million as on 31st Dec 2021 and USD 4.3 million paid by the Group Company as purchase price of 95.54 % ownership. This investment enhanced the production capacity of single superphosphate fertilizer to 350,000 tons per year and ammoniated single superphosphate fertilizer to 290,000 tons per year.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

#### 1.2 Principles of going concern:

The accompanying financial statements have been prepared taking into account the fact that the company is currently operating and will continue to operate in the foreseeable future. Thus, it is assumed that the Company is not going to and does not need to liquidate or significantly reduce the scale of its activities.

#### 1.3 Foreign Currency Transactions and Translation:

##### (a) Functional and presentation currency

IAS 21 defines functional currency as "the currency of the primary economic environment in which the entity operates". IAS 21 defines presentation currency as "the currency in which the financial statements are presented".

The functional currency is determined by looking at a number of relevant indicators. This currency should be the currency in which an entity usually generates and spends cash. Functional currency of an entity reflects the transactions, events and conditions under which the entity operates and conducts its business. Functional currency should be the one in which the business transactions of an entity are normally denominated. All of the transactions which are not in functional currency are treated as foreign transactions. Following are primary and further indicators, which need to be considered in determining functional currency.

Primary Indicators (as defined in IAS 21:9)

- Currency which mainly affects the prices at which the goods or services are sold.
- Currency which influences the labour, material and other costs of the entity.

## JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS

Further Indicators (as defined in IAS 21:10)

- Currency in which the funds are usually generated.
- Currency in which the receipts from operating activities are retained.

Identifying functional currency when indicators are mixed (IAS 21:12)

When indicators are mixed and the functional currency is not obvious, management should use the judgement to determine the functional currency that most faithfully represents the economic effects of the transactions, events and conditions.

Following indicators have been considered by management to consider US Dollars as their functional currency:

- Sales price of fertilizer is decided based on international price of fertilizer denominated in USD. Fertilizer price which is sold in the local market will be determined in USD but settled in UZS, since UZS is the only currency that should be used in Uzbekistan as a means of settlement. Further, for export of fertilizer only USD price is relevant. Fertilizer sales price is also dependent on the USD vs UZS exchange rate prevailing on the date of sale.
- Main raw materials are rock phosphate, sulphuric acid and ammonia which are linked with the fertilizer prices. Any change in international price of fertilizer will directly affect the price of these materials.
- Almost 50% of the labour cost is in USD and remaining 50% is also USD dependent (adjusted for change in forex rates).
- The Company has been fully financed by USD 25 million long term borrowing and USD 5 million short term borrowing from financial institutions and USD 8.7 million Shareholder loan. This clearly indicates to consider USD as the functional currency.
- More than 90% of the project equipment are imported, payment for which to be done in USD.

The financial statements of the Company are presented in United States dollar, which is the functional currency of the Company.

### **(b) Foreign currency transactions**

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

### **1.4 Property, Plant and Equipment:**

Property, plant and equipment are stated at fair value, less accumulated depreciation and provision for impairment, where required. Property, plant and equipment includes assets under construction for future use as property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Costs of minor repairs and day-to-day maintenance are expensed when incurred. Cost of replacing major parts or components of property, plant and equipment items is capitalized and the replaced part is retired.

At the end of each reporting period management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, the management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognized in the profit or loss for the year.

Construction in progress is carried at cost less provision for any impairment in value. Upon completion, assets are transferred to property, plant and equipment at their carrying value. Construction in progress is not depreciated until the asset is available for use.

Gains and losses on disposals determined by comparing proceeds with carrying amount are recognized in profit or loss

## JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS

### 1.5 Depreciation

Depreciation is calculated on the straight-line method and to write off the cost of the assets over their estimated useful lives as follows:

Buildings and roads	20 to 33 years
Plant, equipment and machinery	5 to 7 years
Computers, Laptops	5 to 7 years
Motor vehicles	5 years
Furniture and fittings	7 years
Planting	10 years
Right to use land	50 years

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets. Useful lives, residual values and depreciation methods are reviewed annually. Accelerated depreciation is provided when the useful life of the asset become shorter than that initially expected.

### 1.6 Intangible Assets:

Intangible assets are carried at cost less accumulated depreciation and any accumulated impairment loss. Depreciation is calculated using a straight-line method over the expected useful life of the asset.

### 1.7 Investment:

Investment is initially measured at original cost including transaction cost. Subsequent to initial recognition, investment property is carried at fair value, which determines the market condition at the reporting date. Gain or loss arising from changes in fair value of investment are included in the statement of comprehensive income in the period in which they arise.

### 1.8 Prepayments:

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognized in profit or loss for the year.

### 1.9 Trade and other receivables:

Trade receivables are initially recognized at fair value and are translated at the exchange rate prevailing on the reporting date. Provision have been made for non-recoverable debts.

All other monetary assets have been translated at the exchange rate prevailing on the reporting date.

## **JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**

### **1.10 Inventories:**

Inventories are recorded at the lower of cost and net realisable value. Cost of inventory is determined on a weighted average basis. The cost of finished goods and work in progress comprises raw material, direct labour, other direct costs and related production overheads (based on the normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Provision is made for obsolete, slow moving and defective inventories in arriving at the net realisable value.

### **1.11 Cash and Cash Equivalents:**

Cash and cash equivalents include cash in hand, cash at banks, and other short-term highly liquid investments with original maturities of three months or less.

### **1.12 Borrowings:**

Borrowings are recognized initially at fair value.

### **1.13 Borrowing cost:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowings costs are recognized in statement of profit or loss and other comprehensive income in the period in which they are incurred.

### **1.14 Trade and other payables:**

Trade payables are accrued when the counterparty performs its obligations under the contract and are recognized initially at fair value.

### **1.15 Income Tax:**

Taxation has been provided for in the financial statements in accordance with Uzbekistan legislation enacted or substantively enacted by the end of the reporting period. However, Company is exempt from corporate income tax for a period of 10 years from the date of inclusion in the register of participants of the enterprise SEZ Kokand vide letter no. 03.727 dated 24.12.2021 from Directorate of the Free Economic Zone, Kokand.

The income tax charge comprises current tax and deferred tax and is recognized in profit or loss for the year except if it is recognized in other comprehensive income or directly in equity because it relates to transactions that are also recognized, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within general and administrative expenses.

Deferred income tax is provided using the balance sheet liability method, for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Deferred tax assets and liabilities are presented net in the statement of financial position, since there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

## JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS

### 1.16 Revenue recognition:

#### · Sale of goods:

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

Revenues from sales of goods are recognized at the point of transfer of risks and rewards of ownership of the goods, normally when the goods are shipped. If the Company agrees to transport goods to a specified location, revenue is recognized when the goods are passed to the customer at the destination point.

#### · Sale of service:

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

### 1.17 Employee benefits:

Wages, salaries, contributions to the state pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Company. The Company has no legal or constructive obligation to make pension or similar payments beyond the payments to the statutory defined contribution scheme.

The Company makes estimates and assumptions that affect the amounts recognized in the financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies.

### 1.18 Provisions:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

### 1.19 Contingent Liabilities and Contingent Assets:

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the financial statements. When changes in the probability of an outflow occur so that the outflow is probable, it will then be recognized as a provision.



## JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company. Contingent assets are not recognized but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

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

### 1.20 Event after the Reporting Period:

Events after the reporting period that provide additional information about the Company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the end of the reporting period that are not adjusting events are disclosed in the notes the financial statements when material.

## 4. FINANCIAL INSTRUMENTS

### 1.21 Financial assets and financial liabilities are recognized on the Company's statement of financial position the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

The company classifies its financial assets into the following categories: financial assets at fair value through profit or loss, financial assets held to maturity, financial assets available for sale and loans and receivables.

A financial asset is derecognized when the contractual right to cash flow for a financial asset expire or when the asset and all significant risks and benefits are transferred.

A financial liability is derecognized when it is not payable, cancelled or after its expiration.

### 1.22 Effective Interest method:

The effective interest method is used to calculate the amortized cost of a financial asset and the distribution of interest income over the relevant period. The effective interest rate is the discount rate for the estimated future cash receipts for the expected life of the financial asset or, if applicable, a shorter period to the net carrying amount of the financial asset.

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income is recognized using the effective interest method. Interest income is included in investment income in the statement of comprehensive income.

## 5. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

### *Critical Judgement in Applying the Company's Accounting Policies*

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

### *Determination of functional currency*

In determining the functional currencies of the Company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the Company are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

## JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS

### *Useful lives of property, plant and equipment*

The estimation of the useful lives of items of property, plant and equipment is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use.

However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Company. The following primary factors are considered: (a) expected usage of the assets; (b) expected physical wear and tear, which depends on operational factors and maintenance program; and (c) technical or commercial obsolescence arising from changes in market conditions.

## 6. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions, which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties. Related parties of the Company predominantly comprise parties under the control of the Company's controlling owners.

### RELATED PARTY TRANSACTION

US\$

	Sale	Service	Purchase	Borrowings	Legal & Professional Fees
<b>2021</b>					
Indorama Agro	5,583,256	28,333	-	-	-
Indorama Kokand Textile	-	1,151	-	-	-
Indorama Corporation	-	-	2,272,579	3,000,000	-
Indorama DMCC	-	-	-	-	450,000
Indorama Energy	-	-	1,693,543	-	-
	5,583,256	29,484	3,966,122	3,000,000	450,000

US\$

	Sale	Service	Purchase	Borrowings	Legal & Professional Fees
<b>2020</b>					
Indorama Agro	114,659	89,207	-	-	-
Indorama Kokand Textile	-	1,805	-	-	-
Indorama Corporation	-	-	-	5,700,000	-
Indorama Energy	-	-	10,412,159	-	-
	114,659	91,012	10,412,159	5,700,000	-

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**  
**RELATED PARTY OUTSTANDING BALANCES**

	<u>Company</u>	<u>US\$</u>	
		<u>31.12.2021</u>	<u>31.12.2020</u>
Indorama Agro	Payable	112,468	64,023
Indorama Kokand Textile	Payable	324	-
Indorama Corporation	Payable	8,700,000	5,700,000
Indorama Corporation	Payable	2,272,579	-
Indorama Energy	Payable	296,700	1,129,370
Indorama DMCC	Payable	-	-
Total	-	<b>11,382,071</b>	<b>6,893,393</b>

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**
**7. PROPERTY, PLANT AND EQUIPMENT**

	Land & Building	Plant, Equipment and Machinery	Motor Vehicles	Fixtures & Fittings	Construction Work-in Progress	Total
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Cost</b>						
As at 01 Jan 2020	2,425,964	756,466	231,208	46,912	1,152,832	<b>4,613,382</b>
Addition	3,172	104,841	64,205	132,180	23,430,078	<b>23,734,476</b>
Disposal	(195,577)	(71,639)	-	(2,651)	(555)	<b>(270,422)</b>
Reclassification	3,650	(12,080)	5,691	2,739	-	-
Revaluation	48,994	11,881	6,311	355	-	<b>67,541</b>
As at 31 Dec 2020	<b>2,286,203</b>	<b>789,469</b>	<b>307,415</b>	<b>179,535</b>	<b>24,582,355</b>	<b>28,144,977</b>
As at 01 Jan 2021	2,286,203	789,469	307,415	179,535	24,582,355	<b>28,144,977</b>
Addition	15,970,172	17,094,043	1,125,511	501,411	8,955,954	<b>43,647,091</b>
Disposal	(9,586)	(6,479)	(57)	-	-	<b>(16,122)</b>
Reclassification	-	-	-	-	(33,009,021)	<b>(33,009,021)</b>
Revaluation	-	-	-	-	-	-
As at 31 Dec 2021	<b>18,246,789</b>	<b>17,877,033</b>	<b>1,432,869</b>	<b>680,946</b>	<b>529,288</b>	<b>38,766,925</b>

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**
**7. PROPERTY, PLANT AND EQUIPMENT – cont'd**

	Land & Building	Plant, Equipment and Machinery	Motor Vehicles	Fixtures & Fittings	Construction Work-in Progress	Total
	US\$	US\$	US\$	US\$	US\$	US\$
<b><u>Accumulated depreciation</u></b>						
As at 01 Jan 2020	34,908	40,710	11,912	2,511	-	<b>90,041</b>
Charge for the year	64,211	69,315	54,186	19,722	-	<b>207,434</b>
Disposal	(9,798)	(6,716)	-	(221)	-	<b>(16,735)</b>
Reclassification	57	(677)	460	160	-	-
Revaluation	983	986	402	15	-	<b>2,386</b>
As at 31 Dec 2020	<b>90,361</b>	<b>103,618</b>	<b>66,960</b>	<b>22,187</b>	-	<b>283,126</b>
As at 01 Jan 2021	90,361	103,618	66,960	22,187	-	<b>283,126</b>
Charge for the year	526,307	1,773,528	111,889	68,147	-	<b>2,479,871</b>
Disposal	(559)	(2,829)	(163)	-	-	<b>(3,551)</b>
Reclassification	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
As at 31 Dec 2021	<b>616,109</b>	<b>1,874,317</b>	<b>178,686</b>	<b>90,334</b>	-	<b>2,759,446</b>
<b><u>Carrying amount</u></b>						
As at 31 Dec 2020	<b>2,195,842</b>	<b>685,851</b>	<b>240,455</b>	<b>157,348</b>	<b>24,582,355</b>	<b>27,861,851</b>
As at 31 Dec 2021	<b>17,630,680</b>	<b>16,002,716</b>	<b>1,254,183</b>	<b>590,612</b>	<b>529,288</b>	<b>36,007,479</b>

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**
**8. INTANGIBLE ASSETS**

<u>Company</u>	Right to Land Plot	Total
	US\$	US\$
<b><u>Cost</u></b>		
As at 01 Jan 2020	454,714	454,714
Addition	-	-
Disposal	-	-
As at 31 Dec 2020	<b>454,714</b>	<b>454,714</b>
As at 01 Jan 2021	454,714	454,714
Addition	40,319	40,319
Disposal	-	-
As at 31 Dec 2021	<b>495,033</b>	<b>495,033</b>
<b><u>Accumulated amortisation</u></b>		
As at 01 Jan 2020	-	-
Charge for the year	7,744	7,744
As at 31 Dec 2020	<b>7,744</b>	<b>7,744</b>
As at 01 Jan 2021	7,744	7,744
Charge for the year	13,779	13,779
As at 31 Dec 2021	<b>21,523</b>	<b>21,523</b>
<b><u>Carrying amount</u></b>		
As at 31 Dec 2020	<b>446,970</b>	<b>446,970</b>
As at 31 Dec 2021	<b>473,510</b>	<b>473,510</b>

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**
**9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
<b>Non-current</b>		
Unquoted equity securities		
Direct equity securities	175	175
Total unquoted equity securities	<u>175</u>	<u>175</u>
Quoted equity securities		
Direct equity securities	636	636
Indirect equity securities	-	-
Total quoted equity securities	<u>636</u>	<u>636</u>
Total equity securities	<u>811</u>	<u>811</u>
Total equity and debt securities	<u>811</u>	<u>811</u>

	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
At beginning of the year	811	811
Additions	-	-
Disposals	-	-
Translation difference	-	-
Changes in fair value recognised in OCI	-	-
At end of the year	<u>811</u>	<u>811</u>

**10 OTHER NON CURRENT ASSETS**

	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
Advance payment for PPE	263,209	822,236
	<u>263,209</u>	<u>822,236</u>

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**
**11 DEFERRED TAX ASSET**

	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
Deferred tax asset	16,721	15,124
Total	<u>16,721</u>	<u>15,124</u>

**12 INVENTORY**

	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
Raw materials, chemicals and catalysts	4,189,610	615,118
Packing Material	169,761	-
Work in progress	147,837	-
Finished goods	587,980	966
Spares and consumables	373,962	291,153
	<u>5,469,150</u>	<u>907,237</u>
Provision for slow moving stock	8,226	96,776
	<u>5,460,924</u>	<u>810,461</u>

**13 TRADE & OTHER RECEIVABLES**

	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
<b><u>Trade Receivables</u></b>		
Third parties	3,030,709	87,689
Related parties (Note 6)	2,123	-
Less: Loss allowance	(13,246)	-
	<u>3,019,586</u>	<u>87,689</u>
<b><u>Other Receivables</u></b>		
GST/ Value added tax receivables	-	583,362
Income tax receivables	-	7,545
Others receivables	-	29,270
	<u>-</u>	<u>620,177</u>
	<u>3,019,586</u>	<u>707,866</u>



**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**
**14 OTHER CURRENT ASSESTS**

	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
Advances to suppliers	982,125	89,616
Guarantee and deposits	-	-
Prepayments	13,989	-
	<u>996,114</u>	<u>89,616</u>
<b><u>Other Receivables</u></b>		
Interest receivables	7,053	-
GST/ Value added tax receivables	1,030,291	-
Income tax receivables	2,681	-
Others receivables	32,262	-
	<u>1,072,287</u>	<u>-</u>
	<u>2,068,401</u>	<u>89,616</u>

**15 FIXED DEPOSIT**

	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
Fixed Deposits	553,625	-
	<u>553,625</u>	<u>-</u>

**16 CASH AND CASH EQUIVALENTS**

	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
Cash at bank	3,779,881	4,494,321
	<u>3,779,881</u>	<u>4,494,321</u>

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS****17 SHARE CAPITAL**

	<b><u>2021</u></b>	<b><u>2020</u></b>
	<b><u>US\$</u></b>	<b><u>US\$</u></b>
<b><u>Issued and fully paid up</u></b>		
Equity Share Capital	1,181,201	1,191,392
Preference Share Capital	10,191	-
	<b><u>1,191,392</u></b>	<b><u>1,191,392</u></b>

**18 RESERVES**

	<b><u>2021</u></b>	<b><u>2020</u></b>
	<b><u>US\$</u></b>	<b><u>US\$</u></b>
Revaluation reserve	2,286,873	2,271,503
Other Reserve (FOC)	28,234	10,152
	<b><u>2,315,107</u></b>	<b><u>2,281,655</u></b>

## JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS

### 19 LONG TERM LOAN

	Currency	Interest Period	Bench Mark	Repayment Type	Final Maturity	Company	
						2021 USD	2020 USD
<b>Term Loan</b>							
<b>Secured</b>							
Facility 1	USD	3 Month	LIBOR	Quarterly	Jul-2027	12,500,000	12,500,000
Facility 2	USD	3 Month	LIBOR	Quarterly	Jul-2028	12,500,000	12,500,000
						<b>25,000,000</b>	<b>25,000,000</b>
Less: Current Maturities of Long Term Loan						(2,190,476)	-
Net Long Term Loan						<b>22,809,524</b>	<b>25,000,000</b>

### 20 SHORT TERM LOAN

	<u>Company</u>	
	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
Loan from group companies	8,700,000	5,700,000
Short term loan	5,000,000	-
Current maturities of long term loan	2,190,476	-
<b>Total</b>	<b>15,890,476</b>	<b>5,700,000</b>

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**
**20.1 BORROWINGS MATURITY**

	<u>Company</u>	
	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
<b><i>Maturity period</i></b>		
Within 1 year	7,190,476	-
2-5 years	17,523,808	-
After 5 years	5,285,716	25,000,000
<b>Total</b>	<b>30,000,000</b>	<b>25,000,000</b>

**21 TRADE PAYABLES**

	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
<b><u>Trade Payables</u></b>		
Third Parties	759,689	2,207,761
Related parties	2,569,603	-
	<b>3,329,292</b>	<b>2,207,761</b>
<b><u>Other Payables</u></b>		
Advances from customers	607,240	6,655
Dividend payable	2,084	2,402
Interest payables	187,613	-
Statutory liabilities	43,390	10,034
Withholding tax payables	13,847	-
Other tax payables	-	405
Others	320,402	286,449
	<b>1,174,576</b>	<b>305,945</b>
	<b>4,503,868</b>	<b>2,513,706</b>

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**
**22 REVENUE**

	<u>Company</u>	
	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
<b><u>Type of goods and service</u></b>		
- Oxygen	20,466	23,774
- SSP B Grade Fertilizer	16,392	-
- Fertilisers	27,349,225	206,625
- Rendering of services	-	90,414
	<u>27,386,083</u>	<u>320,813</u>
<b><u>Geographical markets</u></b>		
- Rest of Asia	27,382,290	298,177
- Europe	3,793	-
	<u>27,386,083</u>	<u>298,177</u>
	<u>27,386,083</u>	<u>320,813</u>

**23 COST OF SALES**

	<u>Company</u>	
	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
Changes in inventories of finished goods and work in progress	10,376	143,579
Raw materials consumed	9,674,978	-
Depreciation and amortisation	2,147,983	6,078
Manpower Costs	575,902	8,431
Packaging material consumed	987,640	36,074
Energy and Utilities	989,788	7,147
Others	588,760	2,119
	<u>14,975,427</u>	<u>203,428</u>

**24 OTHER INCOME**

	<u>Company</u>	
	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
Dividend income	-	46
Interest income	24,584	7,122
Gain on disposal of tanks	-	36,608
Miscellaneous income	165,092	146,277
	<u>189,676</u>	<u>190,053</u>

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**
**25 SELLING & DISTRIBUTION EXPENSES**

	<u>Company</u>	
	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
Distribution expenses	91,306	-
Commission	139,072	535
Freight & transportation expense	586,107	99,457
Advertisement & promotion	81,811	50
Others	25,561	2,208
	<u>923,857</u>	<u>102,250</u>

**26 GENERAL & ADMINISTRATIVE EXPENSES**

	<u>Company</u>	
	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
Administrative expenses	296,989	4,292
Auditors' remuneration	9,254	18,051
Bank charges	41,797	15,769
Corporate Social Responsibility	42,082	-
Communication expense	9,413	8,514
Insurance expenses	62,824	629
Legal & professional fees	624,766	23,270
Printing and stationary	12,598	5,151
Rental expenses	111,575	-
Repair and maintenance	205,299	13,418
IT expenses	43,181	736
Salary	1,675,263	622,358
Other employee benefit	376,974	84,707
Security expenses	2,796	898
Transportation and travelling	23,684	21,537
Business travelling expenses	20,937	5,057
Newspaper and periodicals	201	57
Secretarial expenses	567	434
Energy and Utilities	54,030	19,589
Technical assistance fees	9,957	-
Rates and Taxes	19,244	48,697
Vehicle running expenses	137,366	-
Depreciation Expenses	345,666	209,100
	<u>4,126,463</u>	<u>1,102,264</u>

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS****27 OTHER OPERATING EXPENSES**

	<u>Company</u>	
	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
Donations	-	24,228
Loss on disposal of PPE	-	758
Foreign currency exchange loss	345,193	295,311
	<u>345,193</u>	<u>430,775</u>

**28 FINANCE COST**

	<u>Company</u>	
	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
Interest expense on borrowings	834,692	-
	<u>834,692</u>	<u>-</u>

## JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS

### 29 Financial risk management

The risk management function within the Company is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including foreign exchange risk and price risk), credit risk and liquidity risk. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures in order to minimise operational and legal risks.

**Credit risk.** The Company takes on exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company is exposed to concentration of credit risk primarily as a result of placing the Company's cash and cash equivalents with one local commercial bank. However, this bank is deemed to have a minimal risk of default, since it is ultimately controlled by the Government of Uzbekistan. The Company sells its yarn products on a 100% prepayment basis or under letter of credit terms, hence, there is no associated credit risk.

The Company's maximum exposure to credit risk by class of assets is as follows:

	<u>Company</u>	
	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	<u>US\$</u>	<u>US\$</u>
Bank Balance	3,779,881	4,494,321
Financial assets within trade and other receivables	-	-
Receivable from related party & others	3,032,831	101,391
Advance for purchase of PPE	263,209	822,236
Advance for services	2,068,401	89,616
	<b>9,144,322</b>	<b>5,507,564</b>

**Market risk.** The Company takes on exposure to market risks. Market risks arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities.

Sensitivities to market risks included below are based on a change in a factor while holding all other factors constant. In practice, this is unlikely to occur and changes in some of the factors may be correlated – for example, changes in interest rate and changes in foreign currency rates.

**Currency risk.** Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises within entities in the Company when transactions are denominated in foreign currencies.

The Company's operational activities are mainly carried out in the entity's functional currencies. The company has transactional currency exposures arising from amount due to Ultimate holding company loan that are denominated in a currency other than the functional currency of the company, primarily United States Dollar (USD).

However, the Company does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging currency risks.

The tables below summarise the Company's exposure to foreign currency exchange rate risk at the end of the reporting period:

	<u>Company</u>					
	<u>31 Dec 2021</u>			<u>31 Dec 2020</u>		
	<u>US\$</u>			<u>US\$</u>		
	<u>Monetary</u>	<u>Monetary</u>	<u>Net Balance</u>	<u>Monetary</u>	<u>Monetary</u>	<u>Net Balance</u>
	<u>Assets</u>	<u>Liabilities</u>	<u>Sheet Position</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Sheet Position</u>
UZS	-	-	-	-	-	-
Currencies other than UZS	3,016,359	38,700,000	(35,683,641)	-	30,700,000	(30,700,000)
	<b>3,016,359</b>	<b>38,700,000</b>	<b>(35,683,641)</b>	-	<b>30,700,000</b>	<b>(30,700,000)</b>



## JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS

### Sensitivity analysis for foreign currency risk

The following table presents sensitivities of profit and loss and equity to reasonably possible changes in exchange rates applied at the statement of financial position date, with all other variables held constant:

	<u>Company</u>	
	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	<u>US\$</u>	<u>US\$</u>
	<u>Impact on Profit or loss and equity</u>	<u>Impact on Profit or loss and equity</u>
USD strengthening by 3.33% (2020: 6%)	1,188,265	1,842,000
USD weakening by 3.33% (2020: 6%)	(1,188,265)	(1,842,000)
	-	-

The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the Company.

### **Interest rate risk.**

The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The table below summarises the Company's exposure to interest rate risks on interest bearing financial instruments. The table presents the aggregated amounts of the Company's financial assets and liabilities at contractual amounts, categorised by the earlier of contractual interest repricing or maturity dates.

	<u>Company</u>					
	<u>Demand and less than 1 month</u>	<u>From 1 to 6 months</u>	<u>From 6 to 12 months</u>	<u>From 12 months to 5 Years</u>	<u>Over 5 Years</u>	<u>Total</u>
<b><u>31 Dec 2021</u></b>						
<b><u>US\$</u></b>						
Total monetary Financial liabilities	-	-	10,890,476	22,523,808	5,285,716	38,700,000
Net Interest Sensitivity gap	-	-	<b>10,890,476</b>	<b>22,523,808</b>	<b>5,285,716</b>	<b>38,700,000</b>
<b><u>31 DEC 2020</u></b>						
<b><u>US\$</u></b>						
Total monetary Financial liabilities	-	-	5,700,000	-	25,000,000	30,700,000
Net Interest Sensitivity gap	-	-	<b>5,700,000</b>	-	<b>25,000,000</b>	<b>30,700,000</b>

The borrowings granted by the related party is interest rate free and hence, Company is not exposed to interest rate risk.

**Liquidity risk.** Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to daily calls on its available cash resources. Liquidity risk is managed by the top management of the company.

The tables below show liabilities at 31 December 2021 and 31 December 2020 by their remaining contractual maturity. The amounts disclosed in the maturity tables are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the statement of financial position because the statement of financial position amount is based on discounted cash flows.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the respective reporting period.

**JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**

The maturity analysis of financial liabilities at 31 December 2021 and 31 December 2020 is as follows:

	<b>Company</b>						<b>Total</b>
	<b>Note</b>	<b>Demand and less than 1 month</b>	<b>From 1 to 6 months</b>	<b>From 6 to 12 months</b>	<b>More than 1 Year</b>	<b>More than 5 Year</b>	
<b><u>31 Dec 2021</u></b>							
<b><u>US\$</u></b>							
<b><u>Liabilities</u></b>							
Borrowings	-	-	2,190,476	22,523,808	5,285,716	30,000,000	
Shareholders Loan	-	-	8,700,000	-	-	8,700,000	
Trade and Other Payables	-	3,329,292	-	-	-	3,329,292	
Total future payments including future principal and interest payments	-	<b>3,329,292</b>	<b>10,890,476</b>	<b>22,523,808</b>	<b>5,285,716</b>	<b>42,029,292</b>	
<b><u>31 DEC 2020</u></b>							
<b><u>US\$</u></b>							
<b><u>Liabilities</u></b>							
Borrowings	-	-	-	-	-	-	
Shareholders Loan	-	-	5,700,000	-	25,000,000	30,700,000	
Trade and Other Payables	-	2,207,761	-	-	-	2,207,761	
Total future payments including future principal and interest payments	-	<b>2,207,761</b>	<b>5,700,000</b>	-	<b>25,000,000</b>	<b>32,907,761</b>	

**30 Fair value of financial instruments**

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

**Assets and liabilities not measured at fair value but for which fair value is disclosed**

## JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS

Fair values analysed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value at 31 December 2021 were as follows

	<u>Company</u>			<u>Carrying Value</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<b><u>31 Dec 2021</u></b>				
<b><u>US\$</u></b>				
<b><u>Assets</u></b>				
Cash and Cash Equivalents	-	3,779,881	-	3,779,881
Receivable from related party & others	-	-	3,032,831	3,032,831
Total financial assets	-	<b>3,779,881</b>	<b>3,032,831</b>	<b>6,812,712</b>
<b><u>Liabilities</u></b>				
Borrowings	-	-	30,000,000	30,000,000
Shareholder's loan	-	-	8,700,000	8,700,000
Trade Payables	-	-	3,329,292	3,329,292
Total financial assets	-	-	<b>42,029,292</b>	<b>42,029,292</b>

Fair values analysed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value at 31 December 2020 were as follows:

	<u>Company</u>			<u>Carrying Value</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<b><u>31 Dec 2020</u></b>				
<b><u>US\$</u></b>				
<b><u>Assets</u></b>				
Cash and Cash Equivalents	-	4,494,321	-	4,494,321
Receivable from related party & others	-	-	101,391	101,391
Total financial assets	-	<b>4,494,321</b>	<b>101,391</b>	<b>4,595,712</b>
<b><u>Liabilities</u></b>				
Borrowings	-	-	25,000,000	25,000,000
Shareholder's loan	-	-	5,700,000	5,700,000
Trade Payables	-	-	2,207,761	2,207,761
	-	-	<b>32,907,761</b>	<b>32,907,761</b>

The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risks and remaining maturities. Discount rates used depend on the credit risk of the counterparty. The fair value of floating rate instruments is normally their carrying amount.

### 31 COVID-19 AFFECTS

Impact of COVID-19 on operation.

Company commenced commercial production of ASSP fertilizer in February 2021. During 2021, business has not been affected by COVID-19. Company was fully operational for entire year since the commencement of commercial production in Feb 2021.