

**TECHNOMET INTERNATIONAL FZE
JEBEL ALI FREE ZONE
DUBAI - UNITED ARAB EMIRATES**

**INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

**TECHNOMET INTERNATIONAL FZE
JEBEL ALI FREE ZONE
DUBAI - UNITED ARAB EMIRATES**

**INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
TECHNOMET INTERNATIONAL FZE, JEBEL ALI FREEZONE,
DUBAI, UNITED ARAB EMIRATES**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **TECHNOMET INTERNATIONAL FZE, Jebel Ali Freezone, Dubai, United Arab Emirates** which comprise the statement of financial position as of March 31, 2022, the statements of comprehensive income, cash flows and changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Establishment as of March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the other ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the applicable provisions of the Jebel Ali Free Zone Companies Implementing Regulations 2016 for such internal control as management determines is necessary to enable the presentation 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 Establishment's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing the Establishment's financial reporting process.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF TECHNOMET INTERNATIONAL FZE (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are 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 Establishment's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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.
- 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 Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Establishment to cease to continue as a going concern.

We are required to communicate with the management 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.

From the matters communicated with the management, we determine if there are any matters that were of most significance in the audit of the financial statements for the current year and are therefore the key audit matters. Based on the information and explanation provided to us and our observation during our audit, we have determined that there are no such key audit matters to be communicated in our report.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF TECHNOMET INTERNATIONAL FZE (CONTINUED)

Report on Other Legal and Regulatory Requirements

As required by the Jebel Ali Free Zone Companies Implementing Regulations 2016, we report that:

- Proper books of account as required by law have been kept by the Establishment and are maintained on a regular basis so far as it appears from our examination of those books. The statement of financial position as of March 31, 2022, the statements of comprehensive income, cash flows and changes in equity dealt with by this report agree with the books of accounts. The financial statements comply with the required International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- Based on the information and explanations given to us, in our opinion, there are no contraventions of the provisions of the Jebel Ali Free Zone Companies Implementing Regulations 2016, or the Articles of Association of the Establishment during the reported period so as to adversely affect the activity or financial position of the Establishment.



JASSIM MOHAMMAD JAMIL AHMAD ALBALOOSHI

Audit license number: 801



KUDOS PRS Chartered Accountants

Dubai – United Arab Emirates

May 26, 2022



**TECHNOMET INTERNATIONAL FZE
JEBEL ALI FREE ZONE,
DUBAI - UNITED ARAB EMIRATES**

Statement of financial position as at March 31, 2022

	Notes	2022 AED	2021 AED
ASSETS			
Non current assets			
Investments	5	10,516,509	10,513,802
		<u>10,516,509</u>	<u>10,513,802</u>
Current assets			
Trade receivables	6	2,605,700	-
Other receivables	7	3,104,858	1,999,186
Cash and cash equivalents	8	33,332	2,016,808
		<u>5,743,890</u>	<u>4,015,994</u>
TOTAL ASSETS		<u>16,260,399</u>	<u>14,529,796</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	2	14,000,000	14,000,000
Retained earnings		1,668,499	131,302
Total Equity		<u>15,668,499</u>	<u>14,131,302</u>
Non current liabilities			
Long term provisions	9	78,833	56,833
		<u>78,833</u>	<u>56,833</u>
Current liabilities			
Trade payables	10	146,800	-
Other payables	11	366,267	341,661
		<u>513,067</u>	<u>341,661</u>
Total Liabilities		<u>591,900</u>	<u>398,494</u>
TOTAL EQUITY AND LIABILITIES		<u>16,260,399</u>	<u>14,529,796</u>

Accompanying notes no 1 to 21 form an integral part of the Financial Statements.

The financial statements on pages 4 to 20 were approved on May 23, 2022.

**MR. PRADEEP SANKARA WARRIER
MANAGER**



TECHNOMET INTERNATIONAL FZE
JEBEL ALI FREE ZONE,
DUBAI - UNITED ARAB EMIRATES

Statement of comprehensive income for the year ended March 31, 2022

	Notes	2022 AED	2021 AED
Revenue	12	2,605,700	761,158
Cost of sales	13	(599,447)	(141,849)
Gross profit		2,006,253	619,309
Indirect Expenses			
General and administrative expenses	14	461,505	477,158
Finance charges	15	7,551	9,845
		469,056	487,003
Net profit for the year		1,537,197	132,306
Other comprehensive income		-	-
Total Comprehensive income for the year		1,537,197	132,306

Accompanying notes no 1 to 21 form an integral part of the Financial Statements.



**TECHNOMET INTERNATIONAL FZE
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Statement of cash flows for the year ended March 31, 2022

	Note	2022 AED	2021 AED
Cash flows from operating activities:			
Total Comprehensive income for the year		1,537,197	132,306
Adjustments for:			
Provision for end of service benefits	9	22,000	22,000
Operating profit before working capital changes		1,559,197	154,306
(Increase) in current assets			
Trade receivables	6	(2,605,700)	-
Other receivables	7	(1,105,672)	(922,858)
Increase in current Liabilities			
Trade payables	10	146,800	5,035
Other payables	11	24,606	23,535
Net Cash generated (used in) operating activities		(1,980,769)	(739,982)
Cash flows from investing activities			
Investments in shares	5	(2,707)	-
Cash (used in) investing activities		(2,707)	-
Net (decrease) in cash and cash equivalents		(1,983,476)	(739,982)
Cash and cash equivalents - beginning of the year		2,016,808	2,756,790
Cash and cash equivalents - end of the year	8	33,332	2,016,808
Represented by:			
Cash in hand		1,278	1,953
Cash at banks		32,054	2,014,855
		33,332	2,016,808

Accompanying notes no 1 to 21 form an integral part of the Financial Statements.



TECHNOMET INTERNATIONAL FZE
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DUBAI - UNITED ARAB EMIRATES

Statement of changes in equity for the year ended March 31, 2022

<u>Changes in Shareholder equity</u>	Share capital		Retained earnings		Total	
	AED		AED		AED	
Balance as at the beginning of April 01, 2020	14,000,000		(1,004)		13,998,996	
Comprehensive income for the year	-		132,306		132,306	
Balance as at March 31, 2021	14,000,000		131,302		14,131,302	
Comprehensive income for the year	-		1,537,197		1,537,197	
Balance as at March 31, 2022	14,000,000		1,668,499		15,668,499	

Accompanying notes no 1 to 21 form an integral part of the Financial Statements.



**TECHNOMET INTERNATIONAL FZE
JEBEL ALI FREEZONE
DUBAI - UNITED ARAB EMIRATES**

Notes to the financial statements for the year ended March 31, 2022

1. Legal Status and Business Activity

TECHNOMET INTERNATIONAL FZE ("the Establishment") was incorporated on August 3, 2017 and licensed to operate as a Free Zone Establishment (Limited Liability) in the United Arab Emirates under the General Trading license # 162039 issued by the Jebel Ali Free Zone Authority, Dubai, United Arab Emirates.

The Establishment is licensed to carry out general trading.

The management and control of the Establishment is vested with Mr. Pradeep Sankara Warriar, (Indian National) the Manager of the Establishment.

The registered address of the Establishment is Office LB16142, Jebel Ali, Dubai, United Arab Emirates.

2. Share capital

The Share capital of the Establishment is AED 14,000,000 (14 shares of AED 1,000,000 each) and is fully held by M/s. Manaksia Steels Limited, India.

3. Summary of significant accounting policies, judgements, estimates and assumptions

3.A Critical Accounting Judgements and key sources of estimation of uncertainty

The preparation of financial statements in conformity with the International Financial Reporting Standards (IFRS) requires the management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities recognised. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation of uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

i) Allowance of trade receivables

An expected credit losses allowance for trade receivables is recognised as per IFRS 9 considering the pattern of receipts from, and the future financial outlook of, the concerned customer. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the credit period and the days past due.



3.A Critical Accounting Judgements and key sources of estimation of uncertainty (continued)

ii) Useful lives and residual values of property and equipment

The Establishment reviews the useful lives and residual values of property and equipment on a regular basis. Any change in estimates may affect the carrying amounts of the respective items of property and equipment, with a corresponding effect on the related depreciation charge.

iii) Impairment losses on property and equipment

The management reviews its property and equipment to assess if there is an indication of impairment. In determining whether impairment losses should be reported in the statement of comprehensive income, the management makes judgements as to whether there is any observable data indicating that there is a reduction in the carrying value of property and equipment. Accordingly, an allowance for impairment is made where there is an identified loss, event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property and equipment.

3.B Summary of significant accounting policies

A summary of the significant accounting policies, which have been applied consistently followed are set out below:

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), interpretations issued by the IFRS Interpretations Committee ("the Committee"), and in compliance with the applicable provisions of Federal Law.

b) Accounting convention

The financial statements have been prepared in accordance with historical cost convention and accrual. The fair/ net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under International Financial Reporting standards (IFRS) issued by the International Accounting Standards Board (IASB).

c) Functional and reporting currency

The functional and reporting currency of the Establishment is AED, as all major transactions are affected in that currency.

d) Basis of measurement

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Establishment considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. All assets and liabilities have been classified as current or non-current as per the Establishment's normal operating cycle, which is taken as 12 months.

**TECHNOMET INTERNATIONAL FZE
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Notes to the financial statements for the year ended March 31, 2022

3.B Summary of significant accounting policies (continued)

e) Changes in accounting policies and disclosures

The accounting policies are consistent with those used in the previous year and in conformity with applicable International Financial Reporting Standards (IFRS) except for the new IFRS and amendment to IFRS and IFRIC interpretations effective for accounting years beginning on or after January 1, 2021

New standards, improvements, interpretations, and amendments issued

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16 if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Establishment.

Amendments to IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the financial statements of the Establishment as it does not have any interest rate hedge relationships.

f) Property and equipment

i) Recognition and Measurement:

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost comprises of purchase price, levies, duties and any directly attributable cost of bringing the asset to its working condition. Any subsequent costs to the asset are recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Establishment and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. Any other associated cost/ expenditure is recognised in the Statement of comprehensive income in the period of incurrence.



**TECHNOMET INTERNATIONAL FZE
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Notes to the financial statements for the year ended March 31, 2022

3.B Summary of significant accounting policies (continued)

f) Property and equipment (continued)

ii) Depreciation

The depreciation on assets acquired/disposed during the year is charged from/up to the date of addition/disposal to the date of financial position. Depreciation is provided on a straight-line basis over the assets' estimated useful lives.

Asset	Years
Furniture and fixtures	2

iii) Derecognition

The carrying value of the asset is derecognised when the asset is replaced/sold/scrapped. The difference between the amount realised from the asset derecognised and its carrying value is recognised in the statement of comprehensive income in the period of derecognition in so far as it does not relate to capital profits, where it shall be recognised under retained earnings.

g) Impairment of non-financial assets

The Establishment assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Establishment makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case the cash-generating unit to which the asset belongs is used. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

h) Financial instruments

Financial assets and financial liabilities are recognised when the Establishment becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.



**TECHNOMET INTERNATIONAL FZE
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Notes to the financial statements for the year ended March 31, 2022

3.B Summary of significant accounting policies (continued)

h) Financial instruments (continued)

Except for those trade receivables that do not contain a significant financing component are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost.
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

The above classification is determined by both

- the Establishment's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which are presented within general and administrative expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect their contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. The Establishment's cash and cash equivalents, trade receivables, and other receivables (excluding prepaid expenses and advances), fall into this category of financial instruments.

i) Leases

The Establishment has short term lease arrangement for its shops for a lease period of 1 year. Accordingly, the Establishment has elected to apply recognition exemption and recognised the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

j) Trade receivables

Trade receivables are stated at their nominal value, as reduced by appropriate allowances for expected credit loss. Bad debts are written off when there is no possibility of recovery. The Establishment makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating the allowance, the Establishment uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses.



3.B Summary of significant accounting policies (continued)

k) Other receivables

Other receivables mainly include deposits, prepaid expenses, loans and advances and advances to suppliers.

l) Cash and cash equivalents

Cash and cash equivalents include cash in hand and balances with banks.

m) Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the expected credit loss ("ECL") model. Instruments within the scope of the new requirements include financial assets measured at amortised cost, such as trade receivables measured under IFRS 15. Recognition of credit losses is no longer dependent on the Establishment first identifying a credit loss event, instead the Establishment considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1").
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2"); and
- financial assets that have objective evidence of impairment at the reporting date ("Stage 3").

"12-month expected credit losses" are recognised for the first category while "lifetime expected credit losses" are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

n) Trade payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether billed by the supplier or not.

o) Provisions

Provisions are recognised when the Establishment has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

**TECHNOMET INTERNATIONAL FZE
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Notes to the financial statements for the year ended March 31, 2022

3.B Summary of significant accounting policies (continued)

p) Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position, if the Establishment has a legally enforceable right to set off the recognised amounts, and the Establishment either intends to settle on a net basis or realize the asset and settle the liability simultaneously.

q) Employee benefits

i) Employees' end of service benefits:

The Establishment provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

ii) Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits, and other short-term benefits in the period the related service is rendered, at the amount of the benefits expected to be paid in exchange for that service.

r) The effects of foreign exchange

Transactions in foreign currencies (currencies other than the Establishment's functional currency) are initially recorded at the rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in such currencies are reinstated at the rate prevailing on the date of financial position. Non-monetary items measured in terms of historical costs are not restated. Gains and losses arising are taken to the statement of comprehensive income. IFRIC 22 clarifies which exchange rate to use in transactions that involve advance consideration paid or received in foreign currency. This does not have any impact on the Establishment's financial statements.

s) Contingent liabilities

A contingent liability is disclosed when the Establishment has a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events, not wholly within the control of the Establishment; or when the Establishment has a present legal or constructive obligation, that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.



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Notes to the financial statements for the year ended March 31, 2022

3.B Summary of significant accounting policies (continued)

t) Revenue recognition

The Establishment follows a 5-step process to determine whether to recognise revenue, as follows:

- i. Identifying the contract with a customer.
- ii. Identifying the performance obligations.
- iii. Determining the transaction price.
- iv. Allocating the transaction price to the performance obligations; and
- v. Recognising revenue when performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time when the Establishment satisfies performance obligations by transferring the promised goods to its customers or services.

Sales revenue

Revenue from sale of goods is recognized at a point in time when the goods are delivered, and performance obligations are satisfied.

u) Expenses

Costs of sales include purchase and all costs directly attributable to the generation of revenue. All other expenses are classified as general and administrative expenses, and finance charges, as appropriate.

3.C New Standards and amendments issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of the Establishment's financial statements are disclosed below. The Establishment intends to adopt these standards, if applicable, when they become effective.

IFRS 17 and its amendments	Insurance Contracts	Jan. 1, 2023
Amendments to IAS 1	Classification of liabilities as current or non-current	Jan. 1, 2023
Amendments to IAS 1	Disclosure of Accounting policies	Jan. 1, 2023
Amendments to IAS 16	Proceeds before intended use	Jan. 1, 2022
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from single transaction	Jan. 1, 2023
Amendments to IAS 8	Definition of Accounting Estimates	Jan. 1, 2023
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor And its associate or joint venture	
Amendments to IAS 37	Onerous contracts - cost of fulfilling a contract	Jan. 1, 2022

The management anticipates that all the above standards, amendments and interpretations will be adopted by the Establishment, to the extent applicable, from their respective effective dates. The adoption of these standards, amendments and interpretations is not expected to have any material impact on the financial statements of the Establishment in the year of their initial application.



Notes to the financial statements for the year ended March 31, 2022

**TECHNOMET INTERNATIONAL FZE
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Notes to the financial statements for the year ended March 31, 2022

5 Investments	2022	2021
	AED	AED
100,000,000 Ordinary shares of Naira 1 each of Far East Steel Industries Limited, Nigeria	915,000	915,000
900,000,000 Ordinary shares of Naira 1 each of Federated Steel Mills Ltd, Nigeria	9,241,500	9,241,500
35,000,000 Ordinary shares of Naira 1 each of Sumo Agrochem Limited, Nigeria	357,302	357,302
13,000 Ordinary shares of Kwacha 1 each of Metchem Resources Zambia Limited, Zambia	2,707	-
	10,516,509	10,513,802
5.1 Investments represent the amount invested by the Establishment in quoted and unquoted instruments. Any profit or loss on reinstatement or fair valuation at the date of financial position is recognised in the statement of comprehensive income.		
6 Trade receivables	2022	2021
	AED	AED
Sundry debtors	2,605,700	-
	2,605,700	-
6.1 Ageing of Trade receivables	2022	2021
	AED	AED
Due for less than one year	2,605,700	-
	2,605,700	-
6.2 Geographical analysis	2022	2021
	AED	AED
Outside United Arab Emirates	2,605,700	-
	2,605,700	-
6.3 The fair value of trade receivables is not materially different from their balances shown in the financial position.		
7 Other receivables	2022	2021
	AED	AED
Loans and advances	2,999,945	710,552
Prepaid Expenses	61,633	59,976
Deposits	43,280	43,248
Advance to suppliers	-	1,185,410
	3,104,858	1,999,186



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8 Cash and cash equivalents	2022	2021
	AED	AED
Balance in banks:		
- In current accounts	32,054	2,014,855
Cash in hand	1,278	1,953
	33,332	2,016,808
9 Employees' end of service benefits	2022	2021
	AED	AED
Balance at the beginning of the year	56,833	34,833
Provision for the year	22,000	22,000
Balance at the end of the year	78,833	56,833
10 Trade payables	2022	2021
	AED	AED
Sundry creditors	146,800	-
	146,800	-
11 Other payables	2022	2021
	AED	AED
Expenses and other payable	366,267	341,661
	366,267	341,661
12 Revenue	2022	2021
	AED	AED
Sales	2,605,700	761,158
	2,605,700	761,158
13 Cost of sales	2022	2021
	AED	AED
Purchases and related costs	599,447	141,849
	599,447	141,849
14 General and administrative expenses	2022	2021
	AED	AED
Salary and benefits	296,850	320,765
Rent	86,140	86,140
Legal and professional	26,798	35,583
Communication and utility	4,508	4,211
Insurance	27,464	29,663
Office expenses	19,745	796
	461,505	477,158



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15 Finance Charges	2022	2021
	AED	AED
Bank charges	7,551	9,845
	7,551	9,845

16 Going concern

The management has prepared these consolidated financial statements on a going concern basis which assumes that the Establishment will continue to operate as a going concern for a foreseeable future. The Establishment took corrective measures to mitigate the financial impact of Covid-19.

17 Risk management

17.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Whilst the Establishment had no significant interest-bearing financial assets or liabilities, it was not exposed to interest rate risk as at the reporting date.

17.2 Credit risk

Credit risk is limited to the carrying values of financial assets in the statement of financial position, and is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Establishment was exposed to credit risk on the following balances:

	2022	2021
	AED	AED
Trade receivables (note 6)	2,605,700	-
Other receivables (excluding prepaid expenses and deposits) (note 7)	2,999,945	1,895,962
Bank balance (note 8)	32,054	2,014,855
	5,637,699	3,910,817

The Establishment seeks to limit its credit risk with respect to banks by dealing with reputable banks. Deposits are with authorities for dewa and others and hence minimal credit risk associated with them.

Credit risks related to receivables are managed subject to the Establishment's policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria and the credit quality of customers is assessed by management of the recovery process on an ongoing basis and are considered recoverable by the management of the Establishment.

Other receivables relate to transactions arising in the normal course of business with minimal credit risk.



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17 Risk management (continued)

17.3 Liquidity risk

Liquidity risk is the risk that the Establishment may not have sufficient liquid funds to meet its liabilities as they fall due. Prudent liquidity risk management requires maintaining sufficient cash and the availability of funding to meet obligations when due. The Establishment limits its liquidity risk by ensuring bank facilities and funds from the shareholder are available, as required.

The table below summarises the maturities of the Establishment's undiscounted financial liabilities based on contractual payment dates.

	2022	2021
	AED	AED
Trade and other payables (excluding advance from customer (note 10 and 11)	513,067	341,661
	<u>513,067</u>	<u>341,661</u>

17.4 Foreign currency risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to the change in foreign exchange rate and adversely affect the Establishment.

The financial assets and liabilities are in Arab Emirates Dirham or US Dollars. The UAE Dirham is currently pegged to the US Dollar.

18 Capital management

The primary objective of the Establishment's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise equity value.

The Establishment manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the year. Capital comprises of capital, retained earnings.

19 Contingent liabilities and capital commitments

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability on Establishment's account as of the date of financial position.

The Establishment do not have any capital expenditure commitments as at the reporting date.

20 Significant events occurring after the date of financial statements

There were no significant events occurring after the date of financial statements which will have any material effect on the working or the financial position of the Establishment.

21 Comparative information

Previous year's figures have been reclassified/regrouped wherever necessary to confirm to the current year presentation and make them comparable.

