

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

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED MARCH 31, 2020**

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

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED MARCH 31, 2020**

<b><u>Table of contents</u></b>	<b><u>Pages</u></b>
Independent Auditor's Report	1 - 3
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Cash Flows	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8 - 18

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

**Report on Audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **TECHNOMET INTERNATIONAL FZE, JEBEL ALI FREE ZONE, DUBAI -UNITED ARAB EMIRATES** which comprise the Statement of Financial position as at March 31, 2020, and the Statement of Comprehensive Income, Statement of Cash flows and Statement of 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 financial statements give a true and fair view of, in all material respects, the financial position of **TECHNOMET INTERNATIONAL FZE** as at March 31, 2020 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 (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Establishment within the ethical requirements that are relevant to our audit of Financials statements in United Arab Emirates, and have fulfilled our other responsibilities under those ethical requirements. 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 UAE Law No.2 of 1986 and 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.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatement 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 scepticism 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 Establishment's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Report on Other Legal and Regulatory Requirements**

As required by UAE Law No.2 of 1986 and Jebel Ali Free Zone Companies Implementing Regulations 2016, we report that:

- In our opinion, proper books of account as required by law have been kept by the Establishment so far as it appears from our examination of those books.
- 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.
- The statement of financial position as at March 31, 2020 and the statement of comprehensive income, the statement of cash flow and the statement of changes in equity dealt with by this report are in agreement with the books of account.
- In our opinion, the financial statements comply with the required International Financial Reporting standards (IFRS) as issued by the international Accounting Standards Board (IASB) and the requirements of UAE Law.
- Based on the information and explanations given to us, in our opinion, there are no contraventions of the provisions of UAE Law No.2 of 1986 and Jebel Ali Free Zone Companies Implementing Regulations 2016, or the Articles of Association of the Company during the reported period so as to adversely affect the activity or financial position of the Company.



**Jassim Mohammad Jamil Ahmad Albalooshi**  
Audit licence number: 801

**KUDOS PRS CHARTERED ACCOUNTANTS**  
DUBAI - UNITED ARAB EMIRATES  
June 23, 2020

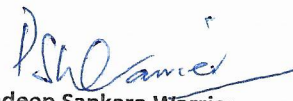


TECHNOMET INTERNATIONAL FZE  
JEBEL ALI FREE ZONE,  
DUBAI - UNITED ARAB EMIRATES

Statement of Financial Position as at March 31, 2020

	Notes	2020 AED	2019 AED
<b>ASSETS</b>			
<b>Non current assets</b>			
Property and equipment	4	-	-
Investments	5	10,513,802	10,156,500
<b>Total Non current assets</b>		<b>10,513,802</b>	<b>10,156,500</b>
<b>Current assets</b>			
Other receivables	6	1,076,328	824,649
Cash and cash equivalents	7	2,756,790	2,144,703
<b>Total Current assets</b>		<b>3,833,118</b>	<b>2,969,352</b>
<b>TOTAL ASSETS</b>		<b>14,346,920</b>	<b>13,125,852</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital	2	14,000,000	14,000,000
Retained earnings	8	(1,004)	(1,233,537)
<b>Total Equity</b>		<b>13,998,996</b>	<b>12,766,463</b>
<b>Non current liabilities</b>			
Long term provisions	9	34,833	-
<b>Total Non current liabilities</b>		<b>34,833</b>	<b>-</b>
<b>Current liabilities</b>			
Trade payable	10	307,891	307,891
Other payables	11	5,200	51,498
<b>Total Current liabilities</b>		<b>313,091</b>	<b>359,389</b>
<b>Total Liabilities</b>		<b>347,924</b>	<b>359,389</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>14,346,920</b>	<b>13,125,852</b>

Accompanying notes no 1 to 21 form an integral part of the Financial Statements.  
The financial statements on pages 4 to 22 were approved on June 20, 2020

  
Mr. Pradeep Sankara Warriar  
MANAGER



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

Statement of Comprehensive income for the year ended March 31, 2020

Particulars	Notes	2020 AED	2019 AED
Revenue	12	2,605,700	-
Cost of sales	13	(536,741)	-
<b>Gross profit</b>		<b>2,068,959</b>	<b>-</b>
Other income	14	-	1,421,104
<b>Indirect Expenses</b>			
General and administrative expenses	15	818,385	1,643,944
Finance charges	16	18,041	8,768
<b>Total Indirect expenses</b>		<b>836,426</b>	<b>1,652,712</b>
<b>Net profit/(loss) for the year</b>		<b>1,232,533</b>	<b>(231,608)</b>
<b>Total Comprehensive income/(loss) for the year</b>		<b>1,232,533</b>	<b>(231,608)</b>

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



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

Statement of Cash flows for the year ended March 31, 2020

Particulars	2020 AED	2019 AED
<b>Cash flows from operating activities:</b>		
Comprehensive income/(loss) for the year	1,232,533	(231,608)
Adjustments for:		
Depreciation	-	4,055
Provision for end of service benefits	34,833	-
<b>Operating profit/(loss) before working capital changes</b>	<b>1,267,366</b>	<b>(227,553)</b>
<b>Changes in working capital</b>		
<b>(Increase)/ Decrease in current assets</b>		
Other receivables	(251,679)	(758,787)
<b>Increase/ (Decrease) in current Liabilities</b>		
Other payables	(46,298)	(125,001)
<b>Net Cash (used in) operating activities</b>	<b>969,388</b>	<b>(1,111,341)</b>
<b>Cash flows from investing activities:</b>		
Investments in shares	(357,302)	-
<b>Cash (used in) investing activities</b>	<b>(357,302)</b>	<b>-</b>
<b>Net Increase in cash and cash equivalents</b>	<b>612,086</b>	<b>(1,111,341)</b>
Cash and cash equivalents - beginning of the year	2,144,703	3,256,043
<b>Cash and cash equivalents - end of the year</b>	<b>2,756,790</b>	<b>2,144,703</b>
<b>Represented by:</b>		
Cash in hand	4,132	99
Cash at banks	2,752,658	2,144,604
	<b>2,756,790</b>	<b>2,144,703</b>

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





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

Statement of Changes in Equity for the year ended March 31, 2020

Particulars	Share capital		Retained earnings		Total	
	AED		AED		AED	
<u>Changes in Shareholder's equity</u>						
Balance as at the beginning of April 01, 2018	14,000,000		(1,001,929)		12,998,071	
Comprehensive (loss) for the year	-		(231,608)		(231,608)	
Balance as at March 31, 2019	14,000,000		(1,233,537)		12,766,463	
Comprehensive income for the year	-		1,232,533		1,232,533	
Balance as at March 31, 2020	14,000,000		(1,004)		13,998,996	

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



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

Notes to the financial statements for the year ended March 31, 2020

**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 Company is Office no: 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 ) and is 100% held by M/s. Manaksia Steels Limited, India.

**3 Significant Accounting Policies**

**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) and applicable legal and regulatory requirements requires the management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised. The judgments, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be 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.

The accounting policies are consistent with those used in the previous year and are in conformity with applicable IFRS.

Following are a few judgements by the management which is considered to have most significant effect on the financial statements:

*i) Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation 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.



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

Notes to the financial statements for the year ended March 31, 2020 (continued)

Significant Accounting Policies (continued)

*ii) Impairment of trade and other receivables*

An estimate of the collectible amount of contract, trade and retention receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

*iii) Impairment of inventories*

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

*iv) Useful lives of property, plant and equipment*

The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

*v) Impairment losses on property, plant and equipment*

The Company reviews its property, plant 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 Company makes judgments as to whether there is any observable data indicating that there is a reduction in the carrying value of property, plant 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, plant and equipment.

**B. Significant accounting policies followed by the Company:**

**i) Basis of preparation**

*a) Statement of Compliance*

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 International Financial Reporting Interpretations Committee (IFRIC) and applicable requirements of U.A.E. Law.





#### *b) Accounting convention*

The financial statements have been prepared in accordance with historical cost convention basis on a going concern basis. 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). The preparation of financial statements in conformity with approved accounting standards requires the use of judgments.

Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

The areas where various assumptions were exercised in application of accounting policies that are significant to the financial statements are:

- Useful life of property and equipment
- Allowance for expected credit loss and specific provisions for individual accounts are recorded based on customer's inability to meet its financial obligations.
- Other provisions and reduction in value of assets, if any, based on the management's estimate.

#### *c) Functional and Presentation currency*

These financial statements are presented in US Dollar (USD) since that is the currency in which the majority of the Company's transactions are denominated.

#### *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 Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, which is taken as 12 months.

#### **ii) Inventories**

Inventories are stated at the lower of cost and net realisable value using weighted average cost method. Costs comprise of direct materials and, where applicable, direct labour costs and the overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to disposal.

#### **iii) Statement of cashflows**

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less from the date of deposit.

#### **iv) Property, plant and equipment**

##### *a) Recognition and Measurement:*

Property and equipment is 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 is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. Any other associated cost/ expenditure are recognised in the Statement of comprehensive income in the period of incurrence.





#### *b) 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.

Assets	Useful Life (years)
Furniture & Fixtures	2

#### *c) Impairment of Assets*

The carrying value of property and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. If any such indication exists and where the carrying values exceed the recoverable amount, the assets are written down to their recoverable amount and the resultant impairment loss is recognized in the statement of comprehensive income.

#### *d) 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.

#### **IFRS 16 - Leases**

The implementation of IFRS 16 results in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance lease is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. Leases are capitalised by recognising the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. An optional exemption exists for short-term and low-value leases.

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

#### **v) Employee benefits**

##### *a) Employees' end of service benefits:*

The Company 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.

##### *b) 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.

#### **vi) The effects of foreign exchange**

Transactions in foreign currencies (currencies other than the company'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.



## **vii) Provisions**

### **a) Provision for expenses**

Provisions are recognized when the Company has a present obligation as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reasonably estimated. The amount recognised as provision is the best estimate of consideration required to settle the present obligation by the management at the end of each reporting period.

### **b) Allowance for expected credit loss:**

Provision against overdue receivables is recognised after considering the pattern of receipts from, and the future financial outlook of, the concerned receivable party. It is reviewed by the management on a regular basis.

## **viii) Financial instruments**

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognized in the Company's financial position when the Company has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

IFRS 9 addresses the classification, measurement, recognition and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

### **Financial assets at fair value through other comprehensive income**

*Initial recognition and measurement:* Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. At initial recognition, the Company measures a financial assets, including at its fair value.

*Subsequent measurement at Fair value through other comprehensive income (FVOCI) :* Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and profit, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, profit income, if any and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Profit income, if any, from these financial assets is included in finance income using the effective profit rate method.

## **ix) Trade receivables**

Trade receivables are stated at their nominal value, as reduced by appropriate allowances for estimated doubtful amounts. An estimate for doubtful debts is made when collection of the amount is no longer probable. Bad debts are written off when there is no possibility of recovery. The Company 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 provision, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

## **x) Payables and accruals**

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





## **xi) Fair value measurement**

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. The Fair value measurement is based on the presumption that the transaction to sell the asset or transfer a liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the Fair value hierarchy as follows, based on the level of input that is significant to the Fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable;

Level 3: Valuation techniques for which the lowest level of input that is significant to their fair value measurement is unobservable.

## **xii) Revenue recognition**

### *Service revenue*

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from rendering of services is recognized when all the services are rendered and the amount of revenue can be measured reliably.

### *Other income*

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

## **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 Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

\* IFRS 17 (Insurance Contracts) w.e.f January 1, 2021.

\* Amendments to IFRS 3 (Business Combinations) w.e.f January 1, 2020.

\* Amendments to IFRS 7 (Financial Instruments: Disclosures) w.e.f January 1, 2020.

\* Amendments to IFRS 9 (Financial Instruments) w.e.f January 1, 2020.

\* Amendments to IAS 1 (Presentation of financial statements) w.e.f January 1, 2020.

\* Amendments to IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) w.e.f January 1,

\* Amendments to IAS 39 (Financial Instruments: Recognition and Measurement) w.e.f January 1, 2020.

\* Amendments to Conceptual Framework w.e.f January 1, 2020.

The management anticipates that all of the above standards, amendments and interpretations will be adopted by the Company, 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 Company in the year of their initial application.



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

Notes to the Financial Statements for the year ended March 31, 2020

4 Property and equipment

Particulars	Furniture & Fixtures AED	Total AED
<b>Cost</b>		
Balance as at the beginning of April 01, 2018	8,000	8,000
Balance as at end of March 31, 2019	8,000	8,000
<b>Balance as at end of March 31,2020</b>	<b>8,000</b>	<b>8,000</b>
<b>Accumulated Depreciation</b>		
Balance as at the beginning of April 01, 2018	3,945	3,945
Depreciation for the year	4,055	4,055
Balance as at end of March 31, 2019	8,000	8,000
<b>Balance as at end of March 31,2020</b>	<b>8,000</b>	<b>8,000</b>
<b>Net Book Value</b>		
Balance as at end of March 31, 2019	-	-
<b>Balance as at end of March 31,2020</b>	<b>-</b>	<b>-</b>





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

Notes to the Financial Statements for the year ended March 31, 2020 (continued)

Particulars	2020 AED	2019 AED
<b>5 Investments</b>		
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	-
	<u>10,513,802</u>	<u>10,156,500</u>
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.		
<b>6 Other receivables</b>		
Other receivable	710,552	710,552
Prepaid Expenses	69,325	68,095
Deposits	43,221	43,699
Advance to suppliers	253,230	-
VAT receivable	-	2,303
<b>Total</b>	<u>1,076,328</u>	<u>824,649</u>
<b>7 Cash and cash equivalents</b>		
Balance in banks:		
- In current accounts	2,752,658	2,144,604
Cash in hand	4,132	99
<b>Total</b>	<u>2,756,790</u>	<u>2,144,703</u>
<b>8 Retained earnings</b>		
Balance as at the beginning of the year	(1,233,537)	(1,001,929)
Comprehensive income/(loss) for the year	1,232,533	(231,608)
<b>Balance at the end of the year</b>	<u>(1,004)</u>	<u>(1,233,537)</u>
<b>9 Employees' end of service benefits</b>		
Provision for the year	34,833	-
<b>Balance at the end of the year</b>	<u>34,833</u>	<u>-</u>
<b>10 Trade payable</b>		
Sundry creditors	307,891	307,891
<b>Total</b>	<u>307,891</u>	<u>307,891</u>



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

Notes to the Financial Statements for the year ended March 31, 2020 (continued)

Particulars	2020 AED	2019 AED
<b>11 Other payables</b>		
Expenses payable	5,200	51,498
<b>Total</b>	<b>5,200</b>	<b>51,498</b>
<b>12 Revenue</b>		
Sales	2,605,700	-
	<b>2,605,700</b>	<b>-</b>
<b>13 Cost of sales</b>		
Purchases and related costs	536,741	-
<b>Total</b>	<b>536,741</b>	<b>-</b>
<b>14 Other income</b>		
Commission	-	1,421,104
<b>Total</b>	<b>-</b>	<b>1,421,104</b>
<b>15 General and administrative expenses</b>		
Salary and benefits	653,858	1,486,739
Rent	86,312	89,555
Depreciation	-	4,055
Legal and professional	42,255	44,951
Communication	5,750	6,037
Insurance	30,210	12,607
<b>Total</b>	<b>818,385</b>	<b>1,643,944</b>
<b>16 Finance Charges</b>		
Bank charges	18,041	8,768
<b>Total</b>	<b>18,041</b>	<b>8,768</b>



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

**Notes to the Financial Statements for the year ended March 31, 2020 (continued)**

**17 Going Concern**

The management has prepared the financial statements on a going concern basis which assumes that the Establishment will continue to operate as a going concern for a foreseeable future.

**18 Financial instruments**

Fair values of financial instruments

Financial instruments comprise of financial assets and financial liabilities.

Financial assets include cash and cash equivalents, due from related parties, other receivables and other other assets readily convertible into cash. Financial liabilities include due to related parties, other payables and other such payables.

The fair values of financial instruments are not materially different from their carrying amounts.

*Credit risk*

The Establishment is exposed to credit risk in respect of the dues from trade debtors. The Establishment limits its credit risk on its trade debtors through regular monitoring by the management of the recovery process on an ongoing basis and are considered recoverable by the management of the Establishment.

The Establishment limits its credit risk with regard to bank deposits by dealing with reputable banks.

Credit risk is limited to the carrying values of financial assets in the financial position of the Establishment.

*Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

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

Based on balances at the year end, a 5% increase or decrease in foreign exchange rate will not have any significant impact on the results of the year of the Establishment.

*Liquidity risk*

Liquidity risk is the risk that the Establishment will not be able to meet its financial obligations as and when it falls due. The Establishment limits its liquidity risk by ensuring that funds from the shareholder and internal sources are available as and when required.

*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 shareholder's 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 and the current account of the shareholder.

*Fair values of financial instruments*

Financial instruments comprise of financial assets and financial liabilities.



Financial assets include cash and cash equivalents, other receivables and other assets readily convertible into cash. Financial liabilities include other payables, and due to related parties. The fair values of financial instruments are not materially different from their carrying amounts.

**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 or capital commitment on Establishment's account as at the date of financial position.

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

