

**GTA POWERMECH DMCC
DMCC, DUBAI, U.A.E.
FINANCIAL STATEMENTS
31 MARCH 2020**

**GTA POWERMECH DMCC
DMCC, DUBAI, U.A.E.**

**FINANCIAL STATEMENTS
31 MARCH 2020**

CONTENTS	PAGE
DIRECTORS' REPORT	1
AUDITORS' REPORT	2 and 2A
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
STATEMENT OF CHANGES IN EQUITY	5
STATEMENT OF CASH-FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 12

**GTA POWERMECH DMCC
DMCC, DUBAI, U.A.E.
DIRECTORS' REPORT
31 MARCH 2020**

The Directors have pleasure in submitting their report and the audited financial statements for the year ended 31 March, 2020.

Principal Activities

The Company is primarily engaged in the business of

Business Operations Review

The table below summarized results of 2020 and 2019.

Particulars	2020	2019
	AED	AED
Revenue	595,935	630,585
Gross Profit	3,781	170,903
Net profit / (loss)	3,781	(62,572)
Gross Profit Ratio	0.63%	27.10%
Net profit / (loss) Ratio	0.6%	-9.92%

Events since the end of the year

Subsequent to the year end, COVID-19 a corona virus pandemic affecting the global and U.A.E. economies has broken out. This has severely affected the financial, commercial and economic transactions, retail, logistics and distribution and the production and supply chains worldwide. The liquidity, solvency and existence of business entities has come under severe stress. It is not possible, as of now, to determine the full impact of this pandemic and how it will possibly affect the operations and financial results of the business entities in the U.A.E. and globally. The full impact of this corona virus pandemic will be assessed and incorporated in the financial statements of next financial year.

Shareholders and their interests

A list of shareholders and their interest in the share capital of the Entity as at 31 March, 2020 was:

Name	Share of AED 1000/-
Mr. (..... National)	50
Mr., (..... National)	50

Major Bank

Bank of Baroda

Auditors

The auditors, M/s Nadeem and Umendra Chartered Accountants are appointed to carry out independent audit for the year.

AUTHORIZED SIGNATORY

.....

**GTA POWERMECH DMCC
DMCC, DUBAI, U.A.E.**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	Note	2020 AED	2019 AED
CURRENT ASSETS			
Accounts receivable	5	370,573	-
Cash and cash equivalents	6	170,249	141,749
		<u>540,822</u>	<u>141,749</u>
TOTAL ASSETS		<u>540,822</u>	<u>141,749</u>
EQUITY FUNDS			
Share capital	8	100,000	100,000
Retained earnings		<u>(58,791)</u>	<u>(62,572)</u>
		<u>41,209</u>	<u>37,428</u>
CURRENT LIABILITIES			
Accounts and other payables	7	499,613	104,321
		<u>499,613</u>	<u>104,321</u>
EQUITY FUNDS AND LIABILITIES		<u>540,822</u>	<u>141,749</u>

The accounting policies and notes on page 7 to 12 form an integral part of these financial statements.

The Auditors' report is set forth on page 2 and 2A.

Approved and signed by the undersigned on

For GTA POWERMECH DMCC

AUTHORIZED SIGNATORY

**GTA POWERMECH DMCC
DMCC, DUBAI, U.A.E.**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	For the year ended 31 March 2020 AED	For the period from 08 July 2018 31 March 2019 AED
REVENUE	9	595,935	630,585
Cost of sales	10	<u>(592,154)</u>	<u>(459,682)</u>
GROSS PROFIT		3,781	170,903
Administrative expenses	11	<u>-</u>	<u>(230,236)</u>
OPERATING PROFIT / (LOSS)		3,781	(59,333)
Finance costs	12	<u>-</u>	<u>(3,239)</u>
NET PROFIT / (LOSS) FOR THE YEAR / PERIOD		<u>3,781</u>	<u>(62,572)</u>

The accounting policies and notes on page 7 to 12 form an integral part of these financial statements.

The Auditors' report is set forth on page 2 and 2A.

Approved and signed by the undersigned on

For GTA POWERMECH DMCC

AUTHORIZED SIGNATORY

**GTA POWERMECH DMCC
DMCC, DUBAI, U.A.E.**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Share capital AED	Retained earnings AED	Total AED
Share capital introduced	100,000	-	100,000
Loss for the period	-	(62,572)	(62,572)
As at 31 March, 2019	100,000	(62,572)	37,428
Profit for the year	-	3,781	3,781
As at 31 March, 2020	100,000	(58,791)	41,209

The accounting policies and notes on page 7 to 12 form an integral part of these financial statements.

The Auditors' report is set forth on page 2 and 2A.

Approved and signed by the undersigned on

For GTA POWERMECH DMCC

AUTHORIZED SIGNATORY

**GTA POWERMECH DMCC
DMCC, DUBAI, U.A.E.**

**STATEMENT OF CASH-FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	For the year ended 31 March 2020 AED	For the period from 08 July 2018 31 March 2019 AED
Cash flows from operating activities			
Net profit / (loss) for the year / period		3,781	(62,572)
Adjustments for:			
Operating loss before changes in operating assets and liabilities		3,781	(62,572)
(Increase) / decrease in accounts receivable		(370,573)	-
Increase / (decrease) in accounts and other payables		395,292	104,321
Net cash from / (used in) operating activities (A)		28,500	41,749
Cash flows from financing activities			
Share capital introduced		-	100,000
Net cash from / (used in) financing activities (B)		-	100,000
Net increase in cash and cash equivalents (A+B)		28,500	141,749
Cash and cash equivalents at beginning of the year / period		141,749	-
Cash and cash equivalents at end of the year / period	6	170,249	141,749

The accounting policies and notes on page 7 to 12 form an integral part of these financial statements.

The Auditors' report is set forth on page 2 and 2A.

Approved and signed by the undersigned on

For GTA POWERMECH DMCC

AUTHORIZED SIGNATORY

**GTA POWERMECH DMCC
DMCC, DUBAI, U.A.E.**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1 LEGAL STATUS AND ACTIVITY

- a) **GTA POWERMECH DMCC (License no DMCC-....., Account no**) was registered in Dubai Multi Commodities Center Authority Dubai on (license issue date) as a Free Zone Company with Limited Liability. The registered address of the Company is unit no. Jumeirah Lakes Towers, Dubai, United Arab Emirates.
- b) The Company is primarily engaged in the business of
- c) The Company is managed by Mr., a national.

2 SHAREHOLDING

The shareholding of the company is as follows:

Name	Number of shares	AED
Mr. (..... National)	50	50,000
Mr., (..... National)	50	50,000
	100	100,000

3 Application of new and revised International Financial Reporting Standards (IFRSs)

New and amended IFRS Standards that are effective for the current year

3.1 New and amended IFRS applied in the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2019, have been adopted in the financial statements.

New and revised IFRSs	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 9 Prepayment Features with Negative Compensation and Modification of financial liabilities	January 1, 2019
Amendments to IAS 28 Investment in Associates and Joint Ventures: Relating to long-term interests in associates and joint ventures.	January 1, 2019
Annual Improvements to IFRSs 2015-2017 Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs	January 1, 2019
Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement.	January 1, 2019

The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

**GTA POWERMECH DMCC
DMCC, DUBAI, U.A.E.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3.2 New and amended IFRSs in issue but not yet effective and not early adopted

The company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

New and revised IFRSs	<u>Effective for annual periods beginning on or after</u>
Definition of Material - Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2023
Definition of a Business - Amendments to IFRS 3 Business Combinations	January 1, 2022
Amendments to References to the Conceptual Framework in IFRS Standards related IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.	January 1, 2023
IFRS 7 Financial Instruments: Disclosures and IFRS 9 - Financial Instruments. Amendments regarding pre-replacement issues in the context of the IBOR reform.	January 1, 2022
IFRS 17 Insurance Contracts	January 1, 2023
Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements in the period of initial application.	

4 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These financial statements are prepared under the historical cost convention, and in accordance with International Financial Reporting Standards (IFRSs) issued or adopted by the International Accounting Standards Board (IASB) and the requirements of UAE Federal Commercial Companies Law No. 2 of 2015, as amended.

b) Accounting convention

These financial statements have been prepared under the historical cost convention. The fair / net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under IFRSs.

c) Presentation currency

These financial statements have been expressed in AED, which is the functional and domicile currency of the Company.

The figures have been rounded off to the nearest 1/-AED.

**GTA POWERMECH DMCC
DMCC, DUBAI, U.A.E.**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

d) Summary of Significant accounting Policies

The significant accounting policies adopted and which have been consistently applied are as follows:

i) Revenue recognition

Revenue from the sale of goods or services in normal course of business is recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised goods or services to the customer.

ii) Foreign currency transactions

Transactions in foreign currencies are translated into AED at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into AED at the rate of exchange ruling at the statement of financial position date.

Gains or losses resulting from foreign currency transactions are taken to the statement of comprehensive income.

iii) Non-Current Assets

These are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated using the straight-line method from the date of acquisition to the estimated useful lives.

An assessment of residual values is undertaken at each statement of financial position date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

iv) Provisions

Provisions are recognized when the Company 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 realizable estimate of the amount of the obligation can be made.

v) Cash and cash equivalents

Cash and cash equivalents comprise cash and balance in bank accounts.

vi) Staff terminal benefits - gratuity

Amounts payables to employees under the U.A.E Labour Law applicables to employees accumulated year of service at the statement of financial position date are accounted for on payments basis.

vii) Value added tax (VAT)

Value added tax (VAT) is charged on supply of goods and services in the United Arab Emirates and recovered on purchases of goods and services locally purchased. Expenses and assets are recognised net of the amount of VAT except for when it is not recoverable. The net amount of VAT recoverable from or payable to taxation authority is included as part of current asset or current liability.

**GTA POWERMECH DMCC
DMCC, DUBAI, U.A.E.**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020	2019
	AED	AED
5 ACCOUNTS RECEIVABLE		
Accounts receivable	<u>370,573</u>	<u>-</u>
	<u>370,573</u>	<u>-</u>
The age analysis of accounts receivable is as follows:		
Less than 4 months	<u>370,573</u>	<u>-</u>
Total	<u>370,573</u>	<u>-</u>
6 CASH AND CASH EQUIVALENTS		
Cash at bank	<u>170,249</u>	<u>141,749</u>
	<u>170,249</u>	<u>141,749</u>
7 ACCOUNTS AND OTHER PAYABLES		
Accounts payables	<u>3,597</u>	<u>3,597</u>
Accrued expenses	<u>496,016</u>	<u>100,724</u>
	<u>499,613</u>	<u>104,321</u>
8 SHARE CAPITAL		
100 shares of AED 1000/- each.	<u>100,000</u>	<u>100,000</u>
	For the year	For the period
	ended 31	from 08 July
	March 2020	2018 31 March
	AED	2019
	AED	AED
9 REVENUE	<u>595,935</u>	<u>630,585</u>
This includes out of scope sales as per FTA rules and regulations.*		
10 COST OF SALES		
Direct expenses	<u>592,154</u>	<u>459,682</u>
	<u>592,154</u>	<u>459,682</u>

**GTA POWERMECH DMCC
DMCC, DUBAI, U.A.E.**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

	For the year ended 31 March 2020 AED	For the period from 08 July 2018 31 March 2019 AED
11 ADMINISTRATIVE EXPENSES		
Legal, professional and visa charges	-	84,663
Printing and stationery expenses	-	49
Travelling and conveyance	-	123,087
Office expenses	-	18,487
Other expenses	-	3,950
	-	230,236
	-	230,236
12 FINANCE COSTS		
Bank charges	-	3,239
	-	3,239
	-	3,239

13 FINANCIAL INSTRUMENTS

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed comprise credit, currency and liquidity and cash flow interest rate risks.

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank balances and accounts and other receivables.

Credit risk relating to accounts receivable is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

The Company's bank accounts are placed with high credit quality financial institutions.

Currency risk

The Company buys and sells goods and services in foreign currencies. Exposure is minimized where possible by denominating such transactions in US dollars to which the UAE Dirhams is fixed.

At the statement of financial position date, there are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the UAE Dirham is fixed.

**GTA POWERMECH DMCC
DMCC, DUBAI, U.A.E.**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

Fair value

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of the financial assets and financial liabilities which are required to be carried at cost or at amortized cost approximates to their carrying values.

14 SUBSEQUENT EVENTS

Subsequent to the year end, COVID-19 a corona virus pandemic affecting the global and U.A.E. economies has broken out. This has severely affected the financial, commercial and economic transactions, retail, logistics and distribution and the production and supply chains worldwide. The liquidity, solvency and existence of business entities has come under severe stress. It is not possible, as of now, to determine the full impact of this pandemic and how it will possibly affect the operations and financial results of the business entities in the U.A.E. and globally. The full impact of this corona virus pandemic will be assessed and incorporated in the financial statements of next financial year.

15 COMPARATIVE FIGURES

Comparative figures are not strictly comparable as these comprise operating results for the period from 08 July, 2018 to 31 March, 2019 while current figures comprise operating results for 12 months year ended 31 March, 2020. All figures have been rounded off to nearest AED 1/-.

The accounting policies and notes on page 7 to 12 form an integral part of these financial statements.

The Auditors' report is set forth on page 2 and 2A.

Approved and signed by the undersigned on

For GTA POWERMECH DMCC

AUTHORIZED SIGNATORY