

**GTA POWERMECH DMCC
DMCC, DUBAI, U.A.E.
FINANCIAL STATEMENTS
31 MARCH 2021**

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

**FINANCIAL STATEMENTS
31 MARCH 2021**

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GTA POWERMECH DMCC
DMCC, DUBAI, U.A.E.
DIRECTORS' REPORT
31 MARCH 2021

The Directors have pleasure in submitting their report and the audited financial statements for the year ended 31 March, 2021.

Principal Activities

The Company is primarily engaged in the business of Power Generation, Transmission & Distribution Equipment Trading.

Business Operations Review

The table below summarized results of 2021 and 2020.

Particulars	2021	2020
Revenue	AED 813,734	AED 687,765
Gross Profit	39,412	51,893
Net profit	1,671	3,781
Gross Profit Ratio	4.84%	7.55%
Net profit Ratio	0.2%	0.55%

KEY IMPACT OF UNCERTAINTY (COVID 19 IMPACT)

COVID-19, a coronavirus pandemic which broke out in December 2019, continues to affect the global and U.A.E. economies. This pandemic continues to severely affect the financial, commercial and economic transactions, retail, logistics and distribution and production and supply chains worldwide. The liquidity, solvency and existence of business entities continues to be under severe stress. It is not possible, as of now, to determine the full impact of this pandemic and how it will continue to affect the operations and financial results of the business entities in the U.A.E. and globally. Current year financial statements contain the impact of this pandemic. However, the impact of this coronavirus pandemic will continue to be assessed and incorporated in the financial statements of future years.

Shareholders and their interests

A list of shareholders and their interest in the share capital of the Entity as at 31 March, 2021 was:

Name	Share of AED 1000/-
M /s. Power Mech Proejcts Limited	50
M /s. Skipper T and D DMCC	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

16 February, 2022.

Independent auditor's report

To,
Shareholders
GTA POWERMECH DMCC
U.A.E

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **GTA POWERMECH DMCC**, United Arab Emirates (“Entity”) which comprise the statement of financial position as at **March 31, 2021**, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at **March 31, 2021**, and its financial performance and its cash flows 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 Entity in accordance with the 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 in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity’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 Entity or to cease operations, or has no realistic alternative but to do so.

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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report on GTA POWERMECH DMCC (Continued)

- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.

We communicate with management and 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 the U.A.E. Federal Commercial Companies Law No. 2 of 2015 and other legal and regulatory requirements we further confirm that,

- 1 We have obtained all the information and explanations which we consider necessary for our audit.
- 2 The financial statements have been prepared and comply in all material respects with the applicable provisions of the U.A.E. Federal Commercial Companies Law No. 2 of 2015, and the Memorandum and Articles of Association of the Entity.
- 3 The management has compiled the financial statements on the basis of information, evidence and data that was available.
- 4 The contents of the Directors' report which relates to the financial statements are in agreement with the Entity's books of account.
- 5 The Entity has not made any investments in share and stocks during the year ended **March 31, 2021**.
- 6 The company does not have any related party transactions.
- 7 Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Entity has contravened, during the financial year ended, any of the applicable provisions of the U.A.E Federal Commercial Companies Law No. 2 of 2015, or the Memorandum and Articles of Association of the Entity, which would materially affect its activities or its financial position as of **March 31, 2021**.



Umendra Chaturvedi
Managing Partner
Regn. No. 759
Nadeem and Umendra Chartered Accountants
Dubai - United Arab Emirates

16-Feb-2022



2A
A member of



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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 AED	2020 AED
REVENUE		
Cost of sales	813,734	687,765
GROSS PROFIT	<u>(774,322)</u>	<u>(635,872)</u>
Administrative expenses	39,412	51,893
OPERATING PROFIT	<u>(29,380)</u>	<u>(43,281)</u>
Finance costs	10,032	8,612
NET PROFIT FOR THE YEAR	<u>(8,361)</u>	<u>(4,831)</u>
	<u>1,671</u>	<u>3,781</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 16 February, 2022.

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 2021**

	Share capital AED	Accumulated losses AED	Total AED
As at 1 April 2019	100,000	(65,572)	34,428
Profit for the year	-	3,781	3,781
As at 31 March, 2020	100,000	(61,791)	38,209
Profit for the year	-	1,671	1,671
As at 31 March, 2021	100,000	(60,120)	39,880

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



**GTA POWERMECH DMCC
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**STATEMENT OF CASH-FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 AED	2020 AED
Cash flows from operating activities			
Net profit for the year		1,671	3,781
Adjustments for:			
Operating loss before changes in operating assets and liabilities		<u>1,671</u>	<u>3,781</u>
(Increase) / decrease in accounts receivable		(168,329)	(367,573)
Increase / (decrease) in accounts and other payables		142,333	335,066
Net cash from / (used in) operating activities (A)		<u>(24,325)</u>	<u>(28,726)</u>
Cash flows from financing activities			
Share capital introduced		-	-
Net cash from / (used in) financing activities (B)		<u>(24,325)</u>	<u>(28,726)</u>
Net increase in cash and cash equivalents (A+B)		113,023	141,749
Cash and cash equivalents at beginning of the year		<u>88,698</u>	<u>113,023</u>
Cash and cash equivalents at end of the year	6	<u><u>88,698</u></u>	<u><u>113,023</u></u>

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



**GTA POWERMECH DMCC
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1 LEGAL STATUS AND ACTIVITY

- a) **GTA POWERMECH DMCC (License no DMCC-463551, Account no 153704)** was registered in Dubai Multi Commodities Center Authority Dubai on 08 July, 2018 as a Free Zone Company with Limited Liability. The registered address of the Company is unit no. 3579 DMCC Business Centre, Level No. 1 Jewellery & Gemplex 3, Dubai, United Arab Emirates.
- b) The Company is primarily engaged in the business of Power Generation, Transmission & Distribution Equipment Trading.
- c) The Company is managed by Mr. Prem Chandra Choudhary, an Indian national.
- d) On 07 July 2021, Trading license of the Company has expired and management has not yet renewed the same till date.

2 SHAREHOLDING

The shareholding of the company is as follows:

Name	Number of shares	AED
M/s. Power Mech Proejcts Limited	50	50,000
M/s. Skipper T and D DMCC	50	50,000
	<u>100</u>	<u>100,000</u>

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

3.1 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

**Effective for annual periods
beginning on or after**

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



GTA POWERMECH DMCC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

IFRS 7 Financial Instruments: Disclosures and IFRS 9 - Financial Instruments. January 1, 2022
Amendments regarding pre-replacement issues in the context of the IBOR reform.

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.

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.



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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	AED	AED
11 ADMINISTRATIVE EXPENSES		
Lease, legal, professional and visa charges	29,380	43,281
	<u>29,380</u>	<u>43,281</u>
12 FINANCE COSTS		
Bank charges	8,361	4,831
	<u>8,361</u>	<u>4,831</u>
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.



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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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 KEY IMPACT OF UNCERTAINTY (COVID 19 IMPACT)

COVID-19, a coronavirus pandemic which broke out in December 2019, continues to affect the global and U.A.E. economies. This pandemic continues to severely affect the financial, commercial and economic transactions, retail, logistics and distribution and production and supply chains worldwide. The liquidity, solvency and existence of business entities continues to be under severe stress. It is not possible, as of now, to determine the full impact of this pandemic and how it will continue to affect the operations and financial results of the business entities in the U.A.E. and globally. Current year financial statements contain the impact of this pandemic. However, the impact of this coronavirus pandemic will continue to be assessed and incorporated in the financial statements of future years.

15 COMPARATIVE FIGURES

Previous year's figures are reclassified / reestablishment wherever necessary to conform to the presentation adopted in these financial statements. 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.

