INDO TAUSCH TRADING DMCC

Dubai – United Arab Emirates

Financial Statements and

Independent Auditor's Report

For the year ended December 31, 2020

Indo Tausch Trading DMCC
Dubai – United Arab Emirates

Financial Statements and Independent Auditor's Report
For the year ended December 31, 2020

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Company Information: Indo Tausch Trading DMCC

Legal Status:
Free zone company with limited liability registered with Dubai Multi Commodities Centre Authority, Dubai, United Arab Emirates

Date of Incorporation:
December 29, 2015, license issued on March 20, 2016

Activities:
General trading

Directors:
Mr. Sreenivasa Rao Pasumarty
Mr. Veerabhadra Lakshminarayana Tummalapalli Srinivasa Subrahmanya

Manager:
Ms. Nina Angela Sooranna Auchoybur

Business Address:
Unit No. 1479,
DMCC Business Centre,
Level No. 1,
Jewellery & Gemplex 3,
P. O. Box: 488083,
Dubai, U.A.E.

Bank:
Emirates NBD

Indo Tausch Trading DMCC
Dubai – United Arab Emirates

Directors' Report

The Board of Directors has pleasure in presenting their report and the audited financial statements for the year ended December 31, 2020.

Business review:

Though the Company obtained license from Dubai Multi Commodities Centre Authority and commenced its operations, it has not reached stage of revenue generation. During the year under review the Company has incurred **USD 35,946/-** (P.Y: USD 39,046/-) towards general and administrative expenses.

Events after the reporting period:

There are no significant events after the reporting period.

Auditors:

The financial statements have been audited by Jaxa Chartered Accountants, who retire and, being eligible, offer themselves for reappointment.

Acknowledgements:

The Board of Directors would like to express their gratitude and appreciation to shareholder, bank, business partners and regulatory and government authorities whose continued support has been a source of great strength and encouragement.

For the Board of Directors

P. Sreenivasa Rao

V L T Srinivasa Subrahmanya
Director

Sreenivasa Rao Pasumarty
Director

April 18, 2021

Independent Auditor's Report

To The Shareholder of
Indo Tausch Trading DMCC
Dubai – United Arab Emirates

Opinion

We have audited the financial statements of **Indo Tausch Trading DMCC (the "Company")**, which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 Company as at December 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 Company 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Independent Auditor's Report (continued)

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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Independent Auditor's Report (continued)

Report on other legal and regulatory requirements

As required by the U.A.E. Federal Law No. 2 of 2015, we report that:

1. we have obtained all the information we considered necessary for the purpose of our audit;
2. the financial statements of the Company have been prepared and comply, in all material respects, with the applicable provisions of the U.A.E. Federal Law No. 2 of 2015;
3. the Company has maintained proper books of account and records of the Company are in agreement with it;
4. the Company has not purchased any shares or stocks during the financial year;
5. the financial information included in the *directors' report* is consistent with the Company's books of account;
6. note 5 reflects the disclosures relating to related party transactions and the terms under which they were conducted;
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 Company has contravened during financial year ended December 31, 2020 any of the applicable provisions of the U.A.E. Federal Law No. 2 of 2015 or its Memorandum and Articles of Association and Dubai Multi Commodities Centre DMCC Company Regulations, 2020 and its amendments which would materially affect its activities or its financial position as at December 31, 2020.

Dubai

April 18, 2020

Ref: DXB/098/SA/321204

JAXA CHARTERED ACCOUNTANTS

Reg. No. 442

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Indo Tausch Trading DMCC
Dubai – United Arab Emirates

Statement of Financial Position as at December 31, 2020
(In US Dollars)

	Note	2020	2019
Assets			
Non-current assets		**-**	-
Current assets			
Other receivables	4	**4,053**	4,007
Loan to related party	5	**59,661**	109,661
Bank balances	6	**19,382**	8,088
Total current assets		**83,096**	121,756
Total assets		**83,096**	121,756
Equity and Liabilities			
Equity			
Share capital	1	**275,000**	275,000
Accumulated deficit		**(195,594)**	(159,648)
Total equity		**79,406**	115,352
Non-current liabilities		**-**	-
Current liabilities			
Other payables	7	**3,690**	6,404
Total current liabilities		**3,690**	6,404
Total liabilities		**3,690**	6,404
Total equity and liabilities		**83,096**	121,756

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 3 to 5.

The financial statements on pages 6 to 19 were approved by the shareholder on April 18, 2021 and signed on its behalf by:

V L T Srinivasa Subrahmanya
Director

Sreenivasa Rao Pasumarty
Director

Indo Tausch Trading DMCC
Dubai – United Arab Emirates

Statement of Comprehensive Income
For the year ended December 31, 2020
(In US Dollars)

	Note	2020	2019
General and administrative expenses	8	(35,946)	(39,046)
Loss for the year		**(35,946)**	(39,046)
Other comprehensive income		-	-
Total comprehensive income for the year		(35,946)	(39,046)

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 3 to 5.

V L T Srinivasa Subrahmanya
Director

Sreenivasa Rao Pasumarty
Director

Indo Tausch Trading DMCC
Dubai – United Arab Emirates

Statement of Changes in Equity
For the year ended December 31, 2020
(In US Dollars)

	Share capital	Accumulated deficit	Total
Balance as at December 31, 2018	275,000	(120,602)	154,398
Loss for the year	-	(39,046)	(39,046)
Balance as at December 31, 2019	**275,000**	**(159,648)**	**115,352**
Loss for the year	-	(35,946)	(35,946)
Balance as at December 31, 2020	**275,000**	**(195,594)**	**79,406**

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 3 to 5.

Indo Tausch Trading DMCC
Dubai – United Arab Emirates

Statement of Cash Flows
For the year ended December 31, 2020
(In US Dollars)

	2020	2019
Cash flows from operating activities		
Loss for the year	(35,946)	(39,046)
Operating cash flows before movements in working capital	(35,946)	(39,046)
Other receivables	(46)	(6)
Other payables	(2,714)	3,589
Net cash used in operating activities	(38,706)	(35,463)
Cash flows from investing activities		
Loan to related party	50,000	30,000
Net cash generated from investing activities	50,000	30,000
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	11,294	(5,463)
Cash and cash equivalents at the beginning of the year	8,088	13,551
Cash and cash equivalents at the end of the year	19,382	8,088

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 3 to 5.

1. Legal status and operations

Indo Tausch Trading DMCC (the "Company"), a free zone company with limited liability, is registered with Dubai Multi Commodities Centre Authority, Dubai, United Arab Emirates under the license no: DMCC-162159 issued on March 20, 2016.

The registered address of the Company is Unit No. 1479, DMCC Business Centre, Level No. 1, Jewellery & Gemplex 3, P. O. Box: 488083, Dubai, United Arab Emirates.

Authorized, issued and fully paid up share capital of the Company is **AED 1,000,000**/- divided into 1000 shares of AED 1,000/- each.

The details of the shareholder as at December 31, 2020 are as follows:

Sl. No.	Name	Nationality	Shares	Amount AED	%
1	M/s. GMR Infrastructure (Overseas) Limited	Mauritius	1000	1,000,000	100
	Total		**1000**	**1,000,000**	**100**

Activities

The Company has a license for general trading.

2. Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards including International Accounting Standards and Interpretations, issued or adopted by the International Accounting Standards Board (IASB) and applicable provisions of U.A.E. laws.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis, except for financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

These financial statements are presented in US Dollar (USD), which is the functional currency of the Company.

2. Significant accounting policies (continued)

2.3 Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are converted into US Dollar at the rates of exchange prevailing at the end of the reporting period and gain or loss arising thereon was charged to profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated.

2.4 Leases

The Company has recognized right-of-use asset and related lease liability in connection with all operating leases except for those identified as low-value or having a lease term of less than 12 months as per IFRS 16: *Leases.*

The Company as a lessee

For any contracts entered into, the Company considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration".

Measurement and recognition of leases as a lessee

For each lease, the Company recognizes a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

2. Significant accounting policies (continued)

2.4 Leases (continued)

Measurement and recognition of leases as a lessee (continued)

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Operating leases

All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

2.5 Financial assets

The Company has the following financial assets: ‘other receivables excluding prepayments’, ‘loan to related party’ and ‘bank balances’. The classification depends on the nature of the financial asset and is determined at the time of initial recognition.

<u>Loans and receivables</u>

Other receivables are stated at their nominal value. Allowance for impairment is made against loans and receivables when their recovery is in doubt. Loans and receivables are written off only when all possible courses of action to achieve recovery have proved unsuccessful.

<u>Loan to related party</u>

Loan to related party is stated at its nominal value.

<u>Cash and cash equivalents</u>

Cash and cash equivalents consist of balance with the bank in current accounts.

2. Significant accounting policies (continued)

2.5 Financial assets (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer counterparty;
- breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial re-organization;
- the disappearance of an active market for that financial asset because of causes which are financial and non-financial.

For certain categories of financial assets such as trade receivables that are assessed as not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

For the financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

2. Significant accounting policies (continued)

2.5 Financial assets (continued)

Impairment of financial assets (continued)

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the assets at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

De-recognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset.

2.6 Equity instruments and financial liabilities

Equity instruments and financial liabilities of the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the asset of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue cost.

Financial liabilities

Financial liabilities consist of ‘other payables’. Financial liabilities, including bank borrowings are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expenses recognized on an effective yield basis, except for the short-term payables when the recognition of interest would be immaterial.

2. Significant accounting policies (continued)

2.6 Equity instruments and financial liabilities (continued)

Financial liabilities (continued)

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or has expired.

2.7 Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.8 New standards and interpretations not yet adopted

Certain new accounting standards, amendments to standards and interpretations have been published that are not mandatory for December 31, 2020 reporting periods and have not been early adopted by the Company. These are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

2.9 Impact of Covid-19

In January 2020, the World Health Organization (WHO) announced a global health emergency because of the new strain corona virus (the "Covid-19 outbreak"). Subsequently, in March 2020, the WHO classified Covid-19 outbreak as pandemic based on the rapid increase in exposure and infections across the world. The pandemic nature of this disease had necessitated global travel restrictions and total lockdown in most countries of the world, with negative implications on the global economy and social life. As a result of the above and the resulting disruptions to the social and economic activities, the Company continues to asses in a regular basis, the impact of Covid-19 outbreak on its business. The impact of Covid-19 continues to evolve; hence there are uncertainties that may impact the business in future.

3. Critical accounting judgment and key sources of estimation uncertainty

Critical judgments in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in note 2 to the financial statements, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements (apart from those involving estimations, which are dealt below):

Leases

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term.

Key estimates applied in preparing the financial statements

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of financial assets

Management has estimated the recoverability of financial assets and has considered the impairment based on the current economic environment and past default history.

4. Other receivables

	December 31,	
	2020	2019
	USD	USD
Prepayments	**3,605**	3,628
Deposits	**448**	379
	4,053	4,007

5. Related party

The Company, in the ordinary course of business, entered into a variety of transactions at agreed terms and conditions, with companies, entities or individuals that fall within the definition of related party as contained in International Accounting Standard No. 24: *Related Party Disclosures*. Related parties comprise the Company's shareholder, directors and entities related to them, companies under common ownership and/or common management and control, their partners and key management personnel.

Loan to related party at the end of the reporting period comprise of:

	December 31,	
M/s. GMR Infrastructure (Overseas) Limited, Mauritius	**2020**	2019
	USD	USD
Balance at the beginning of the year	**109,661**	139,661
Repaid during the year	**(50,000)**	(30,000)
	59,661	109,661

This loan is unsecured and do not carry any interest and is repayable on demand.

6. Bank balances

	December 31,	
	2020	2019
	USD	USD
Bank balances: in current accounts	**19,382**	8,088

7. Other payables

	December 31,	
	2020	2019
	USD	USD
Accrued expenses	**3,690**	6,404

8. General and administrative expenses

	Year ended December 31,	
	2020	2019
	USD	USD
Rent	**4,756**	4,775
Legal, license and professional fees	**30,106**	33,286
Bank charges	**1,000**	985
Others	**84**	-
	35,946	39,046

9. Contingent liabilities and commitments

Except the ongoing business commitments, which are in the normal course of business, there has been no known contingent liability or capital commitments on the Company as at the end of the reporting period.

10. Financial instruments

Fair value

The fair value of the Company's financial instruments is not materially different from their carrying amounts in the statement of financial position.

Risk management

The main risks arising from the Company's financial instruments are credit risk, currency risk, interest rate risk and liquidity risk.

a) Credit risk

The Company's exposure to credit risk at the end of the reporting period is indicated by the carrying amounts of its financial assets, net of any applicable allowance for losses. The Company is exposed to credit risk on its financial assets as follows:

	December 31,	
	2020	2019
	USD	USD
Deposits	**448**	379
Loan to related party	**59,661**	109,661
Bank balances	**19,382**	8,088

Deposits and related party balances are held with reputable parties.

The credit risk on bank balances is limited because the counterparty is a bank with high credit ratings assigned by international credit rating agencies.

b) Currency risk

The Company's currency risk relates to the exposure to the fluctuations in the foreign currency rates. There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in USD or AED to which USD is pegged.

c) Interest rate risk

The Company does not have any interest bearing assets and liabilities as at the end of the reporting period and hence the Company is not exposed to any interest rate risk as at the end of the reporting period.

10. Financial instruments (continued)

Risk management (continued)

d) Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its short term financial liabilities at maturity date.

The Company manages the liquidity risk through risk management framework for the Company's short, medium and long term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent to ensure funds are available to meet its commitments for liabilities as they fall due.

The table below analyses the Company's remaining contractual maturity for its short term financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	December 31,	
	2020	2019
	USD	USD
Other payables	**3,690**	6,404

11. Comparative figures

Certain amounts for the previous year were reclassified to conform to current year presentation.

V L T Srinivasa Subrahmanya
Director

Sreenivasa Rao Pasumarty
Director