

**INDO TAUSCH TRADING DMCC**

Dubai – United Arab Emirates

Consolidated Financial Statements and

Independent Auditor's Report

For the year ended December 31, 2021

**Indo Tausch Trading DMCC  
Dubai – United Arab Emirates**

**Consolidated Financial Statements and Independent Auditor's Report  
For the year ended December 31, 2021**

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**Company Information: Indo Tausch Trading DMCC**

***A. 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

***B. Indo Tausch Trading DMCC Rep. Office***

**Legal Status:**

Branch of company registered in free zone

**Date of Registration:**

License issued on August 11, 2021

**Activities:**

Representative Office

**Manager:**

Mr. Rajesh Kumar Amanana Madhusudhana Rao Amanana

**Business Address:**

Unit No. 3403-17,  
Swiss Tower,  
Plot No. JLT-PH2-Y3A,  
Jumeirah Lakes Towers,  
Dubai, U.A.E.

**Bank:**

Emirates NBD  
Afrasia Bank Limited

**Indo Tausch Trading DMCC**  
**Dubai – United Arab Emirates**

### **Directors' Report**

The Board of Directors has pleasure in presenting their report and the audited consolidated financial statements for the year ended December 31, 2021.

#### **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 earned other income of **USD 2,259,740/-** (P.Y: Nil) and has incurred is **USD 2,347,264/-** (P.Y: USD 35,946/-) towards operational expenses.

#### **Events after the reporting period:**

There are no significant events after the reporting period.

#### **Auditors:**

The consolidated 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, regulatory and government authorities and staff whose continued support has been a source of great strength and encouragement.

#### **For the Board of Directors**



**V L T Srinivasa Subrahmanya**  
**Director**

  
**P. Sreenivasa Rao Pasumarty**  
**Director**

September 26, 2022



## Independent Auditor's Report

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

### Opinion

We have audited the consolidated financial statements of **Indo Tausch Trading DMCC** (the "Company"), which comprise the statement of consolidated financial position as at December 31, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021, and its financial performance and their consolidated 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 consolidated 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 consolidated 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.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have observed that the Company has failed to fully comply with the requirements under the Federal Decree-Law No. (8) of 2017 on Value Added Tax and Cabinet Decision No. (52) of 2017 on the Executive Regulations of the Federal Decree-Law No. (8) of 2017 on Value Added Tax. During the year, the Company has generated zero rated taxable supplies of USD 2,259,740/- and is not yet registered with the Federal Tax Authority in 2021.

The licensed activity of the Company is "general trading". However, during the year, the Company has earned other income which represents reimbursement of expense by the parent company.



## **Independent Auditor's Report (continued)**

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

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

In preparing the consolidated 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.

### ***Auditor's responsibilities for the audit of the consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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.

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**Independent Auditor's Report (continued)**

- 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

**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 consolidated 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 6 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, 2021 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 consolidated financial position as at December 31, 2021.

Dubai

September 30, 2022

Ref: DXB/278/MS/322484

**JAXA CHARTERED ACCOUNTANTS**

Reg. No. 



-5-



**Indo Tausch Trading DMCC**  
Dubai – United Arab Emirates


**Consolidated Statement of Financial Position as at December 31, 2021**  
(In US Dollars)

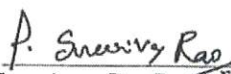
	Note	2021	2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	4	<u>791,772</u>	-
<b>Total non-current assets</b>		<u>791,772</u>	-
<b>Current assets</b>			
Other receivables	5	<u>149,457</u>	4,053
Due from related party	6	<u>2,259,740</u>	-
Loan to related party	6	-	59,661
Bank balances	7	<u>209,117</u>	<u>19,382</u>
<b>Total current assets</b>		<u>2,618,314</u>	<u>83,096</u>
<b>Total assets</b>		<u>3,410,086</u>	<u>83,096</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	1	<u>275,000</u>	275,000
Accumulated deficit		( <u>283,118</u> )	( 195,594 )
Shareholder's current account		<u>2,615,715</u>	-
<b>Total equity</b>		<u>2,607,597</u>	<u>79,406</u>
<b>Non-current liabilities</b>			
Lease liabilities – non-current portion	8	<u>551,764</u>	-
<b>Total non-current liabilities</b>		<u>551,764</u>	-
<b>Current liabilities</b>			
Lease liabilities – current portion	8	<u>144,200</u>	-
Other payables	9	<u>106,525</u>	<u>3,690</u>
<b>Total current liabilities</b>		<u>250,725</u>	<u>3,690</u>
<b>Total liabilities</b>		<u>802,489</u>	<u>3,690</u>
<b>Total equity and liabilities</b>		<u>3,410,086</u>	<u>83,096</u>

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

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

The consolidated financial statements on pages 6 to 24 were approved by the shareholder on September 26, 2022 and signed on its behalf by:

  
V L T Srinivasa Subrahmanya  
Director

  
P. Sreenivasa Rao Pasumarty  
Director



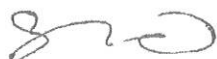


**Indo Tausch Trading DMCC**  
**Dubai – United Arab Emirates**


**Consolidated Statement of Comprehensive Income**  
**For the year ended December 31, 2021**  
**(In US Dollars)**

	<u>Note</u>	<u>2021</u>	<u>2020</u>
Other income	10	2,259,740	-
General and administrative expenses	11	( 2,281,613)	( 35,946)
Depreciation	4	( 56,136)	-
Finance costs	12	( <u>9,515</u> )	-
<b>Loss for the year</b>		( <b>87,524</b> )	( 35,946)
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		( <b>87,524</b> )	( 35,946)

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



**V L T Srinivasa Subrahmanya**  
**Director**

  
**P. Sreenivasa Rao Pasumarty**  
**Director**



Indo Tausch Trading DMCC  
Dubai – United Arab Emirates

Consolidated Statement of Changes in Equity  
For the year ended December 31, 2021  
(In US Dollars)

	<u>Share capital</u>	<u>Accumulated deficit</u>	<u>Shareholder's current account</u>	<u>Total</u>
Balance as at December 31, 2019	275,000	( 159,648)	-	115,352
Loss for the year	-	( 35,946)	-	( 35,946)
<b>Balance as at December 31, 2020</b>	<b>275,000</b>	<b>( 195,594)</b>	<b>-</b>	<b>79,406</b>
Loss for the year	-	( 87,524)	-	( 87,524)
Net movements during the year	-	-	2,615,715	2,615,715
<b>Balance as at December 31, 2021</b>	<b>275,000</b>	<b>( 283,118)</b>	<b>2,615,715</b>	<b>2,607,597</b>

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

**Indo Tausch Trading DMCC**  
**Dubai – United Arab Emirates**

**Consolidated Statement of Cash Flows**  
**For the year ended December 31, 2021**  
**(In US Dollars)**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
Loss for the year	( 87,524)	( 35,946)
<i>Adjustments for:</i>		
Depreciation	56,136	-
Finance costs	<u>9,515</u>	<u>-</u>
<b>Operating cash flows before movements in working capital</b>	( 21,873)	( 35,946)
Other receivables	( 145,404)	( 46)
Due from related party	( 2,259,740)	-
Other payables	<u>102,835</u>	<u>( 2,714)</u>
<b>Net cash used in operating activities</b>	<u>( 2,324,182)</u>	<u>( 38,706)</u>
 <b>Cash flows from investing activities</b>		
Acquisition of property and equipment	( 120,434)	-
Loan to related party	<u>59,661</u>	<u>50,000</u>
<b>Net cash (used in)/generated from investing activities</b>	<u>( 60,773)</u>	<u>50,000</u>
 <b>Cash flows from financing activities</b>		
Net movements in shareholder's current account	2,615,715	-
Lease liabilities	( 31,510)	-
Finance costs	<u>( 9,515)</u>	<u>-</u>
<b>Net cash generated from financing activities</b>	<u>2,574,690</u>	<u>-</u>
 <b>Net increase in cash and cash equivalents</b>	<b>189,735</b>	<b>11,294</b>
Cash and cash equivalents at the beginning of the year	<u>19,382</u>	<u>8,088</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>209,117</u></u>	<u><u>19,382</u></u>

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

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

**Indo Tausch Trading DMCC**  
**Dubai – United Arab Emirates**

**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2021**

**1. Legal status and operations**

These consolidated financial statements represent the financial results and activities of the following Company and its one Branch (together referred as the “**Company**”):

**A) 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. 3403-17, Swiss Tower, Plot No. JLT-PH2-Y3A, Jumeirah Lakes Towers, 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, 2021 are as follows:

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

**Activities**

The Company has a license for general trading.

**B) Indo Tausch Trading DMCC Rep. Office**, a branch of a local company, is registered with Dubai Economy and Tourism, Dubai, United Arab Emirates under the license no: 973857 issued on August 11, 2021.

**Activities**

The Branch has a license for representative office.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of **Indo Tausch Trading DMCC** and **Indo Tausch Trading DMCC Rep. Office**, made up to December 31, 2021. The financial statements have been consolidated because they fall under the same management and have the same beneficial ownership. All significant inter-entity transactions and balance between the Head Office and the Branch are eliminated on consolidation.



**Indo Tausch Trading DMCC**  
**Dubai – United Arab Emirates**

**Notes to the Consolidated Financial Statements (continued)**  
**For the year ended December 31, 2021**

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**2. Significant accounting policies**

**2.1 Statement of compliance**

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

**2.3 Revenue recognition**

All revenue is measured at the fair value of the consideration receivable, excluding discounts and rebates.

**Other income**

Other income is credited to income at the time of effecting the transaction.

**2.4 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.

**2.5 Property and equipment**

Property and equipment are carried at cost, less accumulated depreciation and identified impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of property and equipment.

**Notes to the Consolidated Financial Statements (continued)**  
**For the year ended December 31, 2021**

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**2. Significant accounting policies (continued)**

**2.5 Property and equipment (continued)**

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss in the period in which they are incurred.

Depreciation is charged to the profit or loss on a straight line basis over the estimated remaining useful lives of property and equipment. The estimated useful lives are as follows:

Leasehold buildings	:	5 years
Office equipment	:	3-5 years
Motor vehicles	:	5 years

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the profit or loss.

**2.6 Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**Notes to the Consolidated Financial Statements (continued)**  
**For the year ended December 31, 2021**

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**2. Significant accounting policies (continued)**

**2.7 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 consolidated 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 payable, discounted using the interest rate implicit in the lease if that rate is readily available or the Company’s incremental borrowing rate.

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.

**Indo Tausch Trading DMCC**  
**Dubai – United Arab Emirates**

**Notes to the Consolidated Financial Statements (continued)**  
**For the year ended December 31, 2021**

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**2. Significant accounting policies (continued)**

**2.7 Leases (continued)**

**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.

**Covid-19 Related Rent Concessions – amendments to IFRS 16**

In May 2020, the International Accounting Standards Board issued *Covid-19-Related Rent Concessions*, which amended IFRS 16: *Leases*. The amendment, which is applicable for reporting periods starting on or after July 01, 2020, permits lessees, as a practical expedient, subject to certain criteria, not to assess whether particular rent concessions (e.g.: rent holidays, deferrals of lease payments, etc.) occurring as a direct consequence of the Covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment does not affect lessors.

These amendments do not have any significant impact on the Company's consolidated financial statements.

**2.8 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.

Loans and receivables

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.

Loan to related party

Loan to related party is stated at its nominal value.

Cash and cash equivalents

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



**Notes to the Consolidated Financial Statements (continued)**  
**For the year ended December 31, 2021**

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**2. Significant accounting policies (continued)**

**2.8 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.

**Indo Tausch Trading DMCC**  
**Dubai – United Arab Emirates**

**Notes to the Consolidated Financial Statements (continued)**  
**For the year ended December 31, 2021**

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**2. Significant accounting policies (continued)**

**2.8 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.

**2.9 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 'lease liabilities' and '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.

**Notes to the Consolidated Financial Statements (continued)**  
**For the year ended December 31, 2021**

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**2. Significant accounting policies (continued)**

**2.9 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.

**2.10 Employees' end of service benefits**

Employees' end of service benefits is accounted on payment basis.

**2.11 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.

**2.12 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, 2021 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.

**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 consolidated financial statements, management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements (apart from those involving estimations, which are dealt below):

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**Notes to the Consolidated Financial Statements (continued)**  
**For the year ended December 31, 2021**

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**3. Critical accounting judgment and key sources of estimation uncertainty (continued)**

*Critical judgments in applying the Company's accounting policies (continued)*

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 consolidated 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:

Property and equipment

The cost of property and equipment is depreciated over the estimated useful life of the assets. The estimated life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors. Management has not considered any residual value as it is deemed immaterial.

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.



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Notes to the Consolidated Financial Statements (continued)  
For the year ended December 31, 2021

4. Property and equipment				
	<u>Leasehold buildings</u> <u>USD</u>	<u>Office equipment</u> <u>USD</u>	<u>Motor vehicles</u> <u>USD</u>	<u>Total</u> <u>USD</u>
<b>Cost</b>				
As at December 31, 2020	-	-	-	-
Additions		8,144	112,290	120,434
Recognized as per IFRS 16	727,474	-	-	727,474
As at December 31, 2021	<u>727,474</u>	<u>8,144</u>	<u>112,290</u>	<u>847,908</u>
<b>Depreciation</b>				
As at December 31, 2020	-	-	-	-
For the year	48,499	1,334	6,303	56,136
As at December 31, 2021	<u>48,499</u>	<u>1,334</u>	<u>6,303</u>	<u>56,136</u>
<b>Net book value</b>				
As at December 31, 2021	<u>678,975</u>	<u>6,810</u>	<u>105,987</u>	<u>791,772</u>
As at December 31, 2020	-	-	-	-

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**Notes to the Consolidated Financial Statements (continued)**  
**For the year ended December 31, 2021**

**5. Other receivables**

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
Advances	75,738	-
Deposits	42,206	448
Prepayments	31,513	3,605
	<b>149,457</b>	<b>4,053</b>

**6. 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.

*Due from related party at the end of the reporting period comprise of:*

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
M/s. GMR Infrastructure Limited, India	<b>2,259,740</b>	<b>-</b>

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

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
M/s. GMR Infrastructure (Overseas) Limited, Mauritius		
Balance at the beginning of the year	59,661	109,661
Repaid during the year	(59,661)	(50,000)
	<b>-</b>	<b>59,661</b>

This loan is unsecured and do not carry any interest and is repaid.

During the year the Company entered into the following transactions with related party:

	<b>Year ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
Reimbursement of expenses	<b>2,259,740</b>	<b>-</b>

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**7. Bank balances**

	<b><u>December 31,</u></b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Bank balances: in current accounts	<b><u>209,117</u></b>	<b><u>19,382</u></b>

**8. Lease liabilities**

	<b><u>December 31,</u></b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Lease liabilities recognized as per IFRS 16	<b><u>695,964</u></b>	<b><u>-</u></b>
Due within 2-5 years – non-current portion	<b><u>551,764</u></b>	<b><u>-</u></b>
Due within one year – current portion	<b><u>144,200</u></b>	<b><u>-</u></b>

The Company has leases for the office. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of consolidated financial position as a right-of-use asset and a lease liability.

For the purpose of the consolidated statement of cash flows, lease liabilities comprise:

	<b><u>December 31, 2021</u></b>
	<b><u>USD</u></b>
Lease liabilities	<b>695,964</b>
Less: lease liabilities recognized on transition to IFRS 16	<b>( 727,474)</b>
	<b><u>( 31,510)</u></b>

**9. Other payables**

	<b><u>December 31,</u></b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Accrued expenses	<b>81,997</b>	<b>3,690</b>
Staff payables	<b><u>24,528</u></b>	<b><u>-</u></b>
	<b><u>106,525</u></b>	<b><u>3,690</u></b>

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**For the year ended December 31, 2021**

**10. Other income**

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Reimbursement of expenses	<u>2,259,740</u>	<u>-</u>

This represent amount reimbursed by the parent company against expense paid on behalf of them.

**11. General and administrative expenses**

	<u>Year ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Employee cost	697,873	-
Rent	656,918	4,756
Legal, license and professional fees	244,131	30,106
Travelling and conveyance	214,583	-
Consultancy fee	91,805	-
Communication	87,779	-
Vehicle maintenance	37,940	-
Office maintenance	37,474	-
Advertisement and business promotion	27,797	-
Utilities	13,475	-
Exchange loss	13,349	-
Bank charges	9,251	1,000
Printing and stationery	3,744	-
Others	<u>145,494</u>	<u>84</u>
	<u>2,281,613</u>	<u>35,946</u>

**12. Finance costs**

	<u>Year ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Interest on lease liabilities	<u>9,515</u>	<u>-</u>



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**Notes to the Consolidated Financial Statements (continued)**  
**For the year ended December 31, 2021**

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**13. 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.

**14. Financial instruments**

**Fair value**

The fair value of the Company's financial instruments is not materially different from their carrying amounts in the consolidated 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:

	<b><u>December 31,</u></b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Deposits	<b>42,206</b>	448
Advances	<b>75,738</b>	-
Due from related party	<b>2,259,740</b>	-
Loan to related party	-	59,661
Bank balances	<b><u>209,117</u></b>	<b><u>19,382</u></b>

Deposits, advances and related party balances are held with reputable parties.

The credit risk on bank balances is limited because the counterparties are banks 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.

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**Notes to the Consolidated Financial Statements (continued)**  
**For the year ended December 31, 2021**

**14. Financial instruments (continued)**

**Risk management (continued)**

**c) Interest rate risk**

Lease liabilities is subject to fixed interest rates at levels generally obtained in the U.A.E. and are therefore exposed to fair value interest rate risk. Reasonably possible changes to the interest rates at the end of the reporting period are unlikely to have a significant impact on profit or equity.

**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.


	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Lease liabilities – current portion	144,200	-
Other payables	<u>106,525</u>	<u>3,690</u>

**15. 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*