

**Man Overseas Metals DMCC  
Dubai Multi Commodities Centre  
Dubai, U.A.E.**

**Auditor's Report & Financial Statements  
For the year ended 31st March, 2020**

**Man Overseas Metals DMCC**  
**Dubai Multi Commodities Centre, Dubai, U.A.E.**

**Auditor's Report & Financial Statements**  
**For the year ended 31st March, 2020**

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<b>Contents</b>	<b>Page</b>
Independent Auditor's Report	1 – 2
Statement of Financial Position	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Cash Flows	5
Statement of Changes in Equity	6
Notes to the Financial Statements	7 – 17

## INDEPENDENT AUDITOR'S REPORT

(Ref No.- Zenith/ NC - 2020 / 16391)

**The Shareholder,**  
**Man Overseas Metals DMCC,**  
**Dubai Multi Commodities Centre, Dubai, U.A.E.**

**Report on the audit of Financial Statements****Opinion**

We have audited the accompanying financial statements of **Man Overseas Metals DMCC**, which comprise the Statement of Financial Position as at **31st March, 2020** and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Changes in Equity for the year then ended, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of **Man Overseas Metals DMCC** as of **31st March, 2020** and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in 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.

**Other matter**

Management did not register the company for UAE VAT because as per management all business is out of the scope of the VAT Law.

**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 International Financial Reporting Standards and in compliance with the company's Memorandum and with the provisions of the DMCC Company Regulations No. (1/03) 2003, 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.

**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 auditors' 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 International Standards on Auditing 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.

(Continued from page 1)

As part of an audit in accordance with International Standards on Auditing, 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.
- 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.

#### Report on other legal and regulatory requirements

- We have obtained all the information and explanation we considered necessary for our audit.
- The financial statements comply, in all material respect with the applicable provisions of the provisions of the DMCC Company Regulations No. (1/03) 2003 and the Articles of Association of the Company.
- Based on the information and explanation that has been made available to us nothing came to our attention which causes us to believe that the Company has contravened during the financial year ended **31st March, 2020** any of the applicable provisions of the provisions of the DMCC Company Regulations No. (1/03) 2003 or the Articles of Association of the Company which would have a material effect on the Company's activities or on its financial position for the year.

For Husain Al Hashmi  
Auditing of Accounts  
Dubai, United Arab Emirates  
22nd June, 2020




**Man Overseas Metals DMCC**  
**Dubai Multi Commodities Centre, Dubai, U.A.E.**

**Statement of Financial Position**  
**As at 31st March, 2020**

	Notes	2020 AED	2019 AED
<b>Non Current Assets:</b>			
Property, plant and equipment	4	17,431	12,316
		<b>17,431</b>	<b>12,316</b>
<b>Current Assets:</b>			
Trade receivables	5	11,129,594	12,133,851
Due from related party	6	3,681,305	3,570,663
Cash and balance with bank	7	50,303	15,525
Advances and deposits	8	1,989,218	1,989,218
		<b>16,850,420</b>	<b>17,709,257</b>
<b>Total Assets</b>		<b>16,867,851</b>	<b>17,721,573</b>
<b>Equity:</b>			
Share capital	2	15,000,000	15,000,000
Retained earnings	9	881,453	125,338
		<b>15,881,453</b>	<b>15,125,338</b>
<b>Current Liabilities:</b>			
Trade payables	10	826,761	2,415,761
Other payables and provisions	11	159,637	180,474
<b>Total Liabilities</b>		<b>986,398</b>	<b>2,596,235</b>
<b>Total Equity and Liabilities</b>		<b>16,867,851</b>	<b>17,721,573</b>

The accompanying notes on pages 7 to 17 form an integral part of these financial statements.  
The Auditor's Report is set out on page 1 & 2.

For Man Overseas Metals DMCC

  
Authorized Signatory



**Man Overseas Metals DMCC**  
**Dubai Multi Commodities Centre, Dubai, U.A.E.**

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31st March, 2020**

	Notes	2020 AED	2019 AED
Sales	12	-	2,571,628
Cost of sales	13	-	(2,314,523)
<b>Gross Profit</b>		-	<b>257,105</b>
<b>Operating (Expenses) / Income</b>			
Depreciation	4	(4,885)	(2,830)
Administration expenses	14	(2,180,544)	(768,928)
Finance costs	15	(2,706)	(2,670)
Other income	16	2,944,250	1,321,200
Loss on sale of property, plant and equipment		-	-
		<b>756,115</b>	<b>546,772</b>
<b>Net Profit for the Year</b>		<b>756,115</b>	<b>803,877</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income for the Year</b>		<b>756,115</b>	<b>803,877</b>

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**Man Overseas Metals DMCC**  
**Dubai Multi Commodities Centre, Dubai, U.A.E.**

**Statement of Cash Flows**  
**For the year ended 31st March, 2020**

	<b>2020</b>	<b>2019</b>
	<b>AED</b>	<b>AED</b>
<b>Cash flows from operating activities</b>		
Net profit for the year	756,115	803,877
Adjustment for :		
Loss on sale of property, plant and equipment		-
Depreciation	4,885	2,830
Operating cash flows before changes in net operating assets	761,000	806,707
<u>(Increase) / Decrease in Current Assets</u>		
Trade receivables	1,004,257	(3,305,629)
Due from related party	(110,642)	770,129
Advances and deposits	-	-
<u>Increase / (Decrease) in Current Liabilities</u>		
Trade payables	(1,589,000)	2,314,523
Loans from related parties	-	-
Other payables and provisions	(20,837)	(585,020)
<b>Net cash generated from from operating activities (A)</b>	<b>44,778</b>	<b>710</b>
<b>Cash flows from investing activities</b>		
Property, plant and equipment	(10,000)	(15,144)
Disposal proceeds from the sale of property, plant and equipment	-	-
<b>Net cash used in investing activities (B)</b>	<b>(10,000)</b>	<b>(15,144)</b>
<b>Cash flows from financing activities</b>		
Share capital introduced	-	-
<b>Net cash generated from financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>34,778</b>	<b>(14,434)</b>
Cash and cash equivalents at beginning of the year	15,525	29,959
<b>Cash and cash equivalents at end of the year</b>	<b>50,303</b>	<b>15,525</b>

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For Man Overseas Metals DMCC



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**Man Overseas Metals DMCC**  
**Dubai Multi Commodities Centre, Dubai, U.A.E.**

**Statement of Changes in Equity**  
**For the year ended 31st March, 2020**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>AED</b>	<b>AED</b>	<b>AED</b>
At 1st April, 2018 (See Note)	15,000,000	(678,539)	14,321,461
Total comprehensive income for the year	-	803,877	803,877
<b>At 31st March, 2019</b>	<b>15,000,000</b>	<b>125,338</b>	<b>15,125,338</b>
Total comprehensive income for the year	-	756,115	756,115
<b>At 31st March, 2020</b>	<b>15,000,000</b>	<b>881,453</b>	<b>15,881,453</b>

**Note:** Resolution is passed to increase share capital but not registered in DMCC till the date of issuance of audit report

The accompanying notes on pages 7 to 17 form an integral part of these financial statements.  
The Auditor's Report is set out on page 1 & 2.

For Man Overseas Metals DMCC



Authorized Signatory





**Man Overseas Metals DMCC**  
**Dubai Multi Commodities Centre, Dubai, U.A.E.**

**Notes to the Financial Statements**  
**For the year ended 31st March, 2020**

**1 Legal status and activities**

- 1.1 **Man Overseas Metals DMCC** was registered in Dubai Multi Commodities Centre, Dubai on 29th June, 2008 as a DMCC Company pursuant to the DMCC Company Regulations No. (1/03) 2003 (as amended) with Trading License No. DMCC-30895 issued by Dubai Multi Commodities Centre, Government of Dubai. The registered address of the company is Unit No: 3527, DMCC Business Centre, Level No. Jewellery, Gemplex 3, Dubai Multi Commodities Centre, P.O. Box 340553, Dubai, U.A.E.
- 1.2 The company is controlled and managed by Mr. Nikhil Ramesh Chandra Mansukhani, an Indian national.
- 1.3 The company is primarily engaged in trading business of basic non ferrous metal products and steel and basic steel products.

**2 Shareholding**

- 1 The shareholding of the company is as follows:

Name	Origin	No. of shares	Value per share AED	Total value AED	% age
1. M/s. Man Industries (India) Limited	India	15,000	1,000	15,000,000	100
		15,000		15,000,000	100

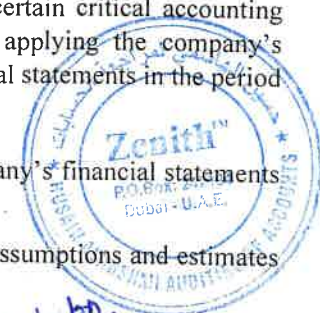
- 2.2 The authorized and paid up share capital of the company is AED 15,000,000/- divided into 15,000 shares of AED 1,000/- each.

**3 Summary of Significant Accounting Policies**

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

**a) Basis of preparation**

- These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), and applicable requirements of the U.A.E. Law.
- The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed.
- Management believes that the underlying assumptions are appropriate and that the company's financial statements therefore fairly present the financial position and results.
- There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.



**Man Overseas Metals DMCC**  
**Dubai Multi Commodities Centre, Dubai, U.A.E.**

**a) Basis of preparation (Continued)**

**Application of new and revised International Financial Reporting Standards (IFRS)**

**New and revised IFRSs applied with no material effect on the financial statements**

- Amendments to IAS 32 "Financial Instruments : Presentation": Offsetting Financial Assets and Financial
- Amendments to IAS 36 "Impairment of Assets": Recoverable amount disclosures for Non-Financial Assets.
- Amendments to IAS 39 "Financial Instruments: Recognition and Measurement":

**New and revised IFRSs Effective for annual periods beginning on or after**

- Annual Improvements to IFRS 2010 - 2012 Cycle July 1, 2014.
- Annual Improvements to IFRS 2011 - 2013 Cycle July 1, 2014.
- IFRS 13 "Fair Value Measurement": scope of the portfolio exception.
- Annual Improvements to IFRS 2012 - 2014 Cycle January 1, 2016.

**New and revised IFRSs in issue but not yet effective**

The following new and revised IFRSs have been adopted in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years.

- IFRS 9 - "Financial Instruments" (Effective from January 1, 2018).
- Amendment to IFRS 2 - "Share based payment" (Effective from January 1, 2018).
- IFRS 16 - "Leases" (Effective from January 1, 2019).
- IFRS 17 - "Insurance Contracts" (Effective from January 1, 2019).
- Amendment to IFRS 10 - "Consolidated financial statements" (Effective date to be determined).
- IAS 28 - "Investment in Associates" and "Joint Ventures" (Effective date to be determined).
- IFRS 7 "Financial Instruments: Disclosures": additional guidance on servicing contracts.
- IAS 16 "Property, Plant and Equipment": proportionate restatement of accumulated depreciation on revaluation.
- IAS 38 "Intangible Assets": proportionate restatement of accumulated depreciation on revaluation.
- IAS 40 "Investment Property": interrelationship between IFRS 3 and IAS 40.

Management anticipates that the adoption of these standards, amendments and interpretations will have no material impact on the financial statements of the company in the period of initial application.

**b) Going concern**

The financial statements are prepared on a going concern basis.

When preparing the financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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**Man Overseas Metals DMCC**  
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**c) Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB).

**d) 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.

**e) Functional and presentation currency**

Items included in the financial statements of the company are measured using the currency in which the majority of its transactions are denominated ("the functional currency"). The financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the company's functional and presentation currency.

**f) Revenue from Contracts with Customers**

IFRS 15 "Revenue from contracts with customers" replaces IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognized: i) Identify contracts with customers: ii) Identify the separate performance obligation: iii) Determine the transaction price of the contract: iv) Allocate the transaction price to each of the separate performance obligations, and v) Recognize the revenue as each performance obligation is satisfied.

Key changes to current practice are:

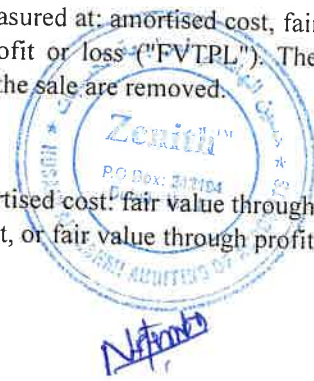
- i Any bundled goods or services that are distinct must be separately recognized, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- ii Revenue may be recognized earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) – minimum amounts must be recognized if they are not at significant risk of reversal.
- iii The point at which revenue is able to be recognized may shift: some revenue which is currently recognized at a point in time at the end of a contract may have to be recognized over the contract term and vice versa.
- iv There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements, to name a few.
- v Increased required disclosures.

**g) Financial Instruments**

IFRS 9 contains three principal classification categories for the financial assets i.e. measured at: amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). The existing IAS 39 categories of held-to-maturity loans and, receivables and available for the sale are removed.

**Classification**

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost: fair value through other comprehensive income ("FVTOCI")-debt investment: FVTOCI-equity investment, or fair value through profit or loss ("FVTPL").



**Man Overseas Metals DMCC**  
**Dubai Multi Commodities Centre, Dubai, U.A.E.**

**g) Financial Instruments (continued)**

The classification of financial assets depends on the company's model for managing the financial assets that whether the financial assets is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the cash flows that whether contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Management determines the classification of its investment at initial recognition.

The classification of financial assets depends on the Company's business model for managing the financial assets that whether the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the cash flows that whether contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Management determines the classification of its investment at initial recognition.

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

**Recognition**

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

**Derecognition**

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset,

Or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

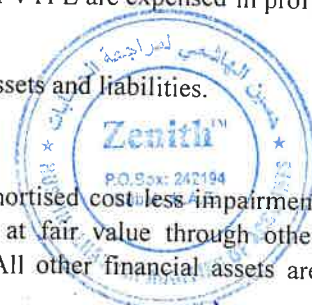
**Measurement**

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

**Financial assets at amortised cost**

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method. All other financial assets are subsequently measured at fair value.





**Man Overseas Metals DMCC**  
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**g) Financial Instruments (continued)**

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost comprise of current/non-current borrowings, trade and other payables, amount due to related parties, shareholders' current accounts and loans from shareholder.

**h) Value added tax**

As per the Federal Decree-Law No. (08) of 2017, effective from January 1, 2018 for companies incorporated in UAE. Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The Company is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

**i) Critical accounting estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards requires the use of judgments. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

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

- i Useful life of property, plant and equipment.
- ii Allowance for doubtful debts, specific provisions for individual accounts are recorded based on customer's inability to meet its financial obligations.

At the end of each reporting period, management conducts an assessment of each of the assets referred-to above to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made and changes are reflected in the financial statements of the period of change and, if material their effects are disclosed in the financial statements. These are explained in the notes on the respective items of assets in the accounting policies.

**j) Foreign currency transactions**

As per IAS 21, Foreign currency transactions should be recorded initially at the rate of exchange at the date of the transaction (use of averages is permitted if they are a reasonable approximation of actual).

At each subsequent balance sheet date.

Foreign currency monetary amounts should be reported using the closing rate.

Non-monetary items carried at historical cost should be reported using the exchange rate at the date of the transaction.



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**Man Overseas Metals DMCC**  
**Dubai Multi Commodities Centre, Dubai, U.A.E.**

**j) Foreign currency transactions (continued)**

Non-monetary items carried at fair value should be reported at the rate that existed when the fair values were determined.

Exchange differences arising when monetary items are settled or when monetary items are translated at rates different from those at which they were translated when initially recognised or in previous financial statements are reported in the 'Statement of Profit or Loss and Other Comprehensive Income' on net basis as either 'Foreign exchange gains' or 'Foreign exchange losses' and included in 'Other operating income' or 'Other operating expenses' respectively.

**k) Property, plant and equipment**

As per IAS 16, Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment losses, if any. Cost consists of purchase cost, together with any incidental expenses of acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to company and the cost can be measured reliably. Repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the period in which they are incurred. Land is not depreciated. Depreciation on other items of Property, plant and equipment is calculated using the straight-line method to allocate their cost, less estimated residual values, over the estimated useful lives of the assets or the lease term, if shorter

The estimated useful lives of the assets, as follows:

	<u>Years</u>
Furniture and fixtures	5
Office equipment	5

Major overhaul expenditure is depreciated over the shorter of the period to the next major overhaul, the remaining lease term or the useful life of the asset concerned.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

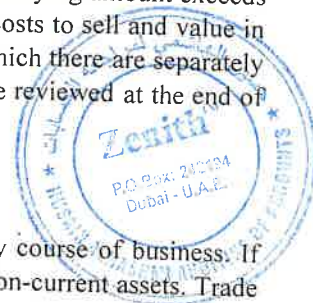
The gain or loss arising on the disposal or retirement of an item of Property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the 'Statement of Profit or Loss and Other Comprehensive Income'.

**l) Impairment of assets**

As per IAS 36, At the end of each reporting period, the entity is required to review the carrying amounts of its tangible and intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill are reviewed at the end of each reporting period for possible reversal of the impairment loss.

**m) Trade receivables**

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets otherwise as non-current assets. Trade receivables are carried at the invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off when identified.



*Najim*

**Man Overseas Metals DMCC**  
**Dubai Multi Commodities Centre, Dubai, U.A.E.**

**n) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the Statement of Cash Flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the Statement of Financial Position.

**o) Trade payables, provisions and accruals**

Liabilities are recognized for amounts to be paid in future for goods and services rendered, whether or not billed to the company.

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

**p) Staff terminal benefits - Gratuity**

Amounts required to cover end of service indemnity at the balance sheet date are computed pursuant to the United Arab Emirates Federal Labour Law based on the employees' accumulated period of service and current basic remuneration at the balance sheet date.

Employees' end of service benefits are accounted on cash payment basis.

**4 Property, plant and equipment**

Cost	Furniture and fixtures	Office equipment	Total
	AED	AED	AED
At 1st April, 2019	197,670	8,033	205,703
Additions during the year	-	10,000	10,000
<b>At 31st March, 2020</b>	<b>197,670</b>	<b>18,033</b>	<b>215,703</b>
<b>Accumulated depreciation</b>			
At 1st April, 2019	185,355	8,032	193,387
Charge during the year	3,044	1,841	4,885
<b>At 31st March, 2020</b>	<b>188,399</b>	<b>9,873</b>	<b>198,272</b>
<b>Net book value</b>			
<b>At 31st March, 2020</b>	<b>9,271</b>	<b>8,160</b>	<b>17,431</b>
<b>At 31st March, 2019</b>	<b>12,315</b>	<b>1</b>	<b>12,316</b>
		<b>2020</b>	<b>2019</b>
		<b>AED</b>	<b>AED</b>

<b>5 Trade receivables</b>	(Note 5.1)	
<b>5.1 Age analysis</b>	AED	
Above 365 days	11,129,594	
<b>Geographical analysis</b>	AED	
Outside U.A.E.	11,129,594	

11,129,594 12,133,851





**Man Overseas Metals DMCC**  
**Dubai Multi Commodities Centre, Dubai, U.A.E.**

		2020	2019
		AED	AED
<b>6 Related party transactions</b>	(Note 6.1)		
Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. (As per IAS 24)			
For the year ended 31st March, 2020, following are the details of related party transactions:			
<b>6.1 Due from related party</b>	<b>AED</b>	<b>3,681,305</b>	<b>3,570,663</b>
Man Industries (India) Ltd. (U.A.E)	3,451,978		
Man Industries (India) Ltd. (India)	229,327		
	<b>3,681,305</b>		
Total debits	<b>110,642</b>		
All the related party transactions represents transfer of resources at book values to / from other companies to facilitate day to day business operations of the company.			
<b>7 Cash and balance with bank</b>			
Cash in hand		2,756	-
Cash at bank		47,547	15,525
		<b>50,303</b>	<b>15,525</b>
<b>8 Advances and deposits</b>			
Advances against properties		1,982,053	1,982,053
Deposits		7,165	7,165
		<b>1,989,218</b>	<b>1,989,218</b>
<b>9 Retained earnings</b>			
Opening balance		125,338	(678,539)
Total comprehensive income for the year		756,115	803,877
		<b>881,453</b>	<b>125,338</b>
<b>10 Trade payables</b>	(Note 10.1)	<b>826,761</b>	<b>2,415,761</b>
<b>10.1 Age analysis</b>	<b>AED</b>		
Above 365 days	<b>826,761</b>		
<b>11 Other payables and provisions</b>			
Other payables	(Note 11.1)	93,637	135,366
Accrued expenses		66,000	45,108
		<b>159,637</b>	<b>180,474</b>
<b>11.1</b>	This represents amount taken from individuals, which is interest free, unsecured and payable on demand.		



**Man Overseas Metals DMCC**  
**Dubai Multi Commodities Centre, Dubai, U.A.E.**

	2020	2019
	AED	AED
<b>12 Sales</b>	-	2,571,628
<b>13 Cost of sales</b>		
Purchases and direct expenses	-	2,314,523
<b>14 Administration expenses</b>		
Travelling and conveyance	343,328	178,209
Legal, professional and visa charges	321,503	85,418
Business promotion expenses	213,635	25,655
Salaries and benefits	1,021,000	396,000
Communication and utilities	13,215	21,274
Printing and stationery	28,027	2,003
Postage and courier	48,335	2,526
Insurance	3,360	5,095
Repair and maintenance	-	1,750
Other expenses	188,141	50,998
	<b>2,180,544</b>	<b>768,928</b>
<b>15 Finance costs</b>		
Bank charges and interest on related party loan	2,706	2,670
<b>16 Other income</b>		
Service income-out of UAE	2,944,250	1,321,200
<b>17 Fair value of financial instruments</b>		

The company's financial instruments are accounted for under the historical cost convention. Fair value represents the amount at which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, therefore, differences can arise between values under the historical cost method and fair value estimates. The fair value of the company's financial instruments is not materially different from the carrying value at 31st March, 2020.

**8 Liquidity and interest risk**

Liquidity risk is the risk that the company is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

The company aims to maintain adequate cash and bank balances to meet its operating commitments. In addition, the company has an arrangement to settle its liabilities and obligations on a timely basis in order to ensure that the company has sufficient liquidity to meet its operating requirements.

Interest rate risk arises from mismatches in the interest rate profile of the company's assets and liabilities. Cash flow interest risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The company takes on minimal exposure to the effects of fluctuations in the prevailing levels of market interest rates on cash flow as the company's interest earning assets and interest bearing liabilities carry a fixed rate of interest. The company takes on minimal exposure to the effects of fluctuations in the prevailing levels of market interest rates on fair value interest rate risk. The company strives to maintain an interest rate profile that will lead to financial performance consistent with its long term objectives.



**Man Overseas Metals DMCC**  
**Dubai Multi Commodities Centre, Dubai, U.A.E.**

**18 Liquidity and interest risk (continued)**

The table below summarises the maturity profile of the Entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements were as per **note no. 18.1**

18.1 Particulars	Interest bearing		Non interest bearing		Total
	On demand or less than 1 year	More than 1 year	On demand or less than 1 year	More than 1 year	
<b>Financial assets</b>					
Trade receivables	-	-	-	11,129,594	11,129,594
Due from related party	-	-	229,327	3,451,978	3,681,305
Cash and balance with bank	-	-	50,303	-	50,303
Deposits	-	-	-	7,165	7,165
<b>Total</b>	-	-	<b>279,630</b>	<b>14,588,737</b>	<b>14,868,367</b>
<b>Financial liabilities</b>					
Trade payables	-	-	826,761	-	826,761
Other payables	-	-	93,637	-	93,637
Accrued expenses	-	-	66,000	-	66,000
<b>Total</b>	-	-	<b>986,398</b>	-	<b>986,398</b>

**19 Ratio analysis**

Financial ratios are mathematical comparisons of financial statement accounts or categories. These relationships between the financial statement accounts help investors, creditors, and internal company management understand how well a business is performing and areas of needing improvement.

Financial ratios are the most common and widespread tools used to analyse a business' financial standing. Ratios are easy to understand and simple to compute. They can also be used to compare different companies in different industries. Since a ratio is simply a mathematical comparison based on proportions, big and small companies can use ratios to compare their financial information. In a sense, financial ratios don't take into consideration the size of a company or the industry. Ratios are just a raw computation of financial position and performances as per **note no. 19.1**

19.1 Particular	Terms	2020	2019
Gross profit ratio	Percentage	-	10.00
Net profit ratio	Percentage	-	31.26
Current ratio	Times	17.08 : 1	6.82 : 1
Trade receivables ageing	Days	-	1722
Trade payables ageing	Days	-	381
Debt equity ratio	Time	0.06	0.17

**20 Exchange rate risk**

Since the main underlying currencies of the financial instruments, other assets, other liabilities and transactions including cost of sales and sales are in U.A.E. Dirhams and U.S. Dollars, the company is not exposed to a significant exchange rate risk.

**Man Overseas Metals DMCC**  
**Dubai Multi Commodities Centre, Dubai, U.A.E.**

**21 Contingencies and commitments**

As at 31st March, 2020 the company had no contingencies and commitments.

**22 Comparative figures**

Previous year's figures have been reclassified / regrouped wherever necessary to conform to the presentation adopted in these financial statements. Figures of the company have been rounded off to nearest AED 1/-.

**The accompanying notes on pages 7 to 17 form an integral part of these financial statements.**  
**The Auditor's Report is set out on page 1 & 2.**

**For Man Overseas Metals DMCC**



**Authorized Signatory**

*Nizam*

