

MONNET GLOBAL LIMITED

Al Quoz 3 , Dubai,
United Arab Emirates

**INDEPENDENT AUDITORS' REPORT
AND FINANCIAL Position
FOR THE YEAR ENDED 31ST MARCH 2020**

MONNET GLOBAL LIMITED

Office 104, Plot no 358-615, Al Quoz 3, P O Box No.17870, Dubai, U.A.E.

GENERAL INFORMATION

Shareholder Monnet Ispat & Energy Limited
License No OF 1564

Principal activities of the Entity:

The licensed activities of the company are to explore oil and gas, manufacture and trade in steel, cement and carry out other industrial activities.

Business Address Office 104, Plot no 358-615, Al Quoz 3,
P O Box No.261815, Dubai, U.A.E

Banks Abu Dhabi Commercial Bank, Bank of Baroda
Panin Bank.



MONNET GLOBAL LIMITED

Office 104, Plot no 358-615, Al Quoz 3, P O Box No.17870, Dubai, U.A.E.

MANAGER'S REPORT

The Manager is presenting his report and the audited financial statements for the year ended March 31, 2020.

Principal activities of the Entity:

The licensed activities of the company are to explore oil and gas, manufacture and trade in steel, cement and carry out other industrial activities.

Financial review:

The table below summarizes the results of 2019-2020 and 2018-2019. (figures in USD)

<u>Particulars</u>	<u>2019-2020</u>	<u>2018-2019</u>
Revenue	-	-
Other income	-	25,000
Gross Profit/loss	-	-
Net Profit/loss for the year	(251,302)	(23,183,515)

Role of the Manager:

The Manager is the Entity's principal decision-maker. He has the overall responsibility for leading and supervising the Entity, for delivering sustainable shareholder value through his guidance and supervision of the Entity's business. He sets the strategies and policies of the Entity. He monitors performance of the Entity's business, guides and supervises the management.

Events after year end:

In the opinion of the Manager, no transaction or event of a material and unusual nature, favorable or unfavorable, has arisen in the interval between the end of the financial year and the date of this report that is likely to affect, substantially, the result of the operations or the financial position of the Entity.



(cont.. page 2)

Statement of Manager's responsibilities:

The applicable requirements require the Manager to prepare the financial statements for each financial year, which presents fairly in all material respects, the financial position of the Entity, and its financial performance for the year then ended.

The audited financial statements for the period under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Manager confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables him to ensure that the financial statements comply with the requirements of applicable statute. He also confirms that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably present the Entity's financial conditions and results of its These financial statements were approved by the shareholders and signed on behalf by the authorized representative of the company.

MONNET GLOBAL LIMITED

Nikhlesh Kumar
Manager



مؤسسة النداء لتدقيق الحسابات
AL NEDAA AUDITING ACCOUNTANTS
محاسبون قانونيون ومراققو حسابات

AUDITORS REPORT

TO THE PARTNER

M/S MONNET GLOBAL LIMITED

Office 104, Plot no 358-615, Al Quoz 3, P.O Box No.17870, Dubai, U.A.E.

INTRODUCTION

We have audited the accompanying financial statements of

M/S M / S MONNET GLOBAL LIMITED which comprise of the statement of financial position as of 31ST MARCH 2020, the statement of income and comprehensive income, statement of changes in owners' equity and statement of cash flows for the year then ended and summary of significant accounting policies and other explanatory information.

MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected deepens on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's



مؤسسة النداء لتدقيق الحسابات
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preparation and fair presentation of the financial statements 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 . An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management , as well as evaluating the overall presentation of the financial statements .

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion .

OPINION

In our opinion , the financial statements owner fairly , in all material respects, the financial position of **M/S MONNET GLOBAL LIMITED** as of 31ST MARCH 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards .

The accompanying financial statements are a translation of the statutory financial statements which are in the Arabic language to which reference is to be made to .

AL NEDAA AUDITING ACCOUNTANTS

SHARJAH, UNITED ARAB EMIRATES

Samir Zaki Amin Ahmed

Registration No: 440



Date: 20th April, 2020



Monnet Global Limited

provisional

Provisional Statement of Financial Position
As at March 31, 2020

(Figures in USD)

	Note	31.03.2020	31.03.2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	559,894	804,305
Investment in subsidiaries	5	5,000,000	5,000,000
		<u>5,559,894</u>	<u>5,804,305</u>
Current Assets			
Bank balances and cash	6	83,319	12,755
Deposits, Advances & prepayments	7	3,146	3,146
Total Current Assets		<u>86,464</u>	<u>15,901</u>
Total Assets		<u>5,646,358</u>	<u>5,820,206</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	5,007,797	5,007,797
Accumulated Losses Retained earnings		(54,021,717)	(53,770,415)
Shareholder's loan	9	8,553,127	8,553,127
Total Equity Attributable to the Shareholder		<u>(40,460,793)</u>	<u>(40,209,491)</u>
Non-Current Liabilities			
Term loans		<u>40,000,000</u>	<u>26,666,667</u>
		<u>40,000,000</u>	<u>26,666,667</u>
Current Liabilities			
Term loans	10	-	13,333,333
Trade Payables			
Other payable	11	6,107,152	6,029,697
Total Current Liabilities		<u>6,107,152</u>	<u>19,363,030</u>
Total Liabilities and Equity		<u>5,646,359</u>	<u>5,820,206</u>

Nishat Khan



Monnet Global Limited

Provisional Statement of Comprehensive Income

As at March 31, 2020

(Figures in USD)

	Note	31.03.2020	31.03.2019
Other income	14	-	25,000
Employee benefits expense			
General and administration expenses	12	6,545	164,026
Finance costs	13	345	529
Depreciation	4	244,412	284,859
Operating loss for the year		(251,302)	(424,414)
Share of losses in subsidiaries		-	(268,406)
Profit on Impairment of liability		-	2,698,654
Loss on Impairment of Fixed Assets		-	(2,054,438)
Loss on Impairment of Recievable		-	(3,844,355)
Loss on Impairment of Investment		-	(19,290,555)
Loss for the year		(251,302)	(23,183,515)

Nikhlesh Kumar



Monnet Global Limited

Statement of Changes in Equity

As at March 31, 2020

(Figures in USD)

	Share Capital	Retained Earnings	Shareholder's Loan	Total
As at April 01, 2018	5,007,797	(30,586,900)	8,553,127	(17,025,976)
Loss for the year	Nil	(23,183,515)	Nil	(23,183,515)
Net movements during the year	Nil	Nil	-	-
As at March 31, 2019	5,007,797	(53,770,415)	8,553,127	(40,209,491)
Loss for the year	Nil	(251,302)	Nil	(251,302)
Net movements during the year	Nil	Nil	-	-
As at 31.03.2020	5,007,797	(54,021,717)	8,553,127	(40,460,793)

Nikhlesh Kumar



PARTICULARS					
ASSETS	\$	CI Rate	INR	BS Amt	Diff
Property, plant and equipment	559,894	75.3859	42,208,123	42,950,740	742,617
Investment in subsidiaries	-	75.3859	-	-	-
Bank balances and cash	83,319	75.3859	6,281,042	5,962,184	(318,857)
Other receivable and prepayments current from related parties	3,146	75.3859	237,139	224,946	(12,193)
Assets Classified as held for sales	4,290,271	75.3859	323,425,968	306,795,589	(16,630,379)
	4,936,630		372,152,272	355,933,459	(16,218,813)
LIABILITIES					
Share Capital	5,007,797	75.3859	377,517,284	205,382,257	(172,135,027)
Other Equity	(55,158,321)	75.3859	(4,158,159,701)	(3,469,753,195)	688,406,506
Minority Interest	(9,551)	75.3859	(719,973)	(682,952)	37,021
Shareholders/Associates Loan					
Monnet Ispat					
Term loans	8,553,127	75.3859	644,785,177	559,489,849	(85,295,328)
Current maturities of long term loan	-	75.3859	-	2,860,384,000	2,860,384,000
Other payable	6,107,152	75.3859	460,393,136	437,732,026	(22,661,110)
Liabilities classified as held for sales	436,426	75.3859	32,900,374	79,444,448	46,544,075
	(35,063,370)		(2,643,283,703)	671,996,433	3,315,280,137
	(40,000,000)		(3,015,435,975)	316,062,974	(35,526,202)

FCTR



Nikhilash Kumar

3,279,753,935

40,881,414

(Figures in USD)

4

Property, Plant and Equipment (Continued)

Depreciation is charged to write off the cost of assets using the straight line method as follows:

Aircraft	
Building	5.61% p.a
Computers	3.34% p.a
Office Equipments	16.21% p.a
Furniture and Fixtures	4.75% p.a
	6.33% p.a

The useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the pattern of economic benefits expected to flow to the Company through the use of items of property, plant and equipment.

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 recognised as profit or loss in the statement of income.

Original Cost :

As at April 01, 2019

Impairment

Additions during the year

As at March 31, 2019

Aircraft	Buildings	Computers	Office Equipments	Furniture and Fixtures	Total
0	0	0	0	0	
5,705,999	451,203	5,109	1,940	34,550	6,199,286
(1,644,875)	(125,152)				(1,770,027)
-	-	-	-	-	-
4,061,124	326,051	5,109	1,940	34,550	4,429,259

Accumulated Depreciation :

As at March 31, 2019

Charge for the year

As at March 31, 2020

As at March 31, 2020

As at March 31, 2019

3,467,348	143,421	5,107	742	7,851	3,624,954
227,829	10,890	-	92	5,601	244,412
3,695,177	154,311	5,107	834	13,452	3,869,366
-	-	-	-	-	-
365,947	171,740	2	1,106	21,098	559,893
593,776	182,630	2	1,198	26,699	804,305

Richesh Kumar



Monnet Global Limited
Notes to the Financial Statements
As at March 31, 2020

	2020	2019
Authorised Share Capital		
Monnet Ispat & Energy Limited	(number of shares) 400,000	Percentage of Shares 100
5 Investments in Subsidiaries		
PT Sarwa Sembada Karya Bumi	5,000,000.00	5,000,000
6 Bank Balances and Cash	5,000,000.00	5,000,000
Cash in hand	94.00	94
Balance in local currency accounts	83,224.52	12,661
Balance in foreign currency accounts	83,318.52	12,755
7 Other Receivable and Prepayments		
Deposits, Advances & prepayments	(0.33)	(0)
Current Portion	3,146.00	3,146
Non-current Portion	3,145.67	3,146
8 Share Capital		
183,786 shares of AED 100 each subscribed and paid up (1 USD=3.67 AED)	5,007,797.00	5,007,797
9 Shareholder's Loan	5,007,797.00	5,007,797
Monnet Ispat & Energy Limited	8,553,127.00	8,553,127
10 Term Loans	8,553,127.00	8,553,127
Bank loan	40,000,000.00	40,000,000
The above term loans is repayable as under :	40,000,000.00	40,000,000
Within one year	40,000,000.00	26,666,667
In the second year	40,000,000.00	13,333,333
In third to fifth year		
11 Other Payable		
Due to shareholder	34,976.00	34,976
Advance received	75,000.00	
Interest payable on bank loan	5,789,656.00	5,789,656
Accrued expenses	207,519.82	205,065
12 General and Administration Expenses	6,107,151.82	6,029,697
Employees cost		142,336
Rent		6,696
Legal and professional		6,290
Office expenses	6,545.34	5,953
Repairs and maintenance	6,545.34	2,751
		164,026

Nikhlesh Kumar



Monnet Global Limited

Notes to the Financial Statements

As at March 31, 2020

<u>13</u>	<u>Finance costs</u>	<u>2020</u>	<u>2019</u>
	Interest on term loan	-	-
	Interest on shareholder's loan	-	-
	Bank guarantee commission	-	Nil
	Bank charges	-	Nil
	Exchange loss	344.96	532
		<u>344.96</u>	<u>(2)</u>
<u>14</u>	<u>Other Income</u>		
	Rental income from aircraft		25,000
<u>15</u>	<u>Transactions with Related Parties</u>		<u>25,000</u>

The Company, in the normal course of business carries out transactions with parties that fall within the definition of related party

Share of impairment losses in Subsidiaries	
Expenses borne by Company on behalf of Shareholder	
Expenses borne by Company on behalf of Subsidiaries	
Expenses borne by Company on behalf of Associates	
Amounts due from Subsidiaries written off	3,775,144
Amounts due to associates written back	2,698,654
Investments in Subsidiaries written off	19,290,555

Related party balances as at the year end are classified as under:

<u>Related parties</u>	<u>Classification</u>		
Subsidiaries	Investment in Subsidiaries	5,000,000.00	5,000,000
	Due from Subsidiaries and branch		
	Due to Subsidiaries	34,976.00	34,976
	Shareholder's loan (Equity)	8,553,127.00	8,553,127

Nikhlesh Kumar



15 FINANCIAL INSTRUMENTS: CREDIT INTEREST RATE, LIQUIDITY AND EXCHANGE RATE RISK EXPOSURES

The company has exposure to the following risks from its use financial instruments:

- a) Credit risk
- b) Market risk
- c) Liquidity risk

a) Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk comprise principally of trade receivable and bank balance in a current account.

Trade receivable

There is no significant concentration of credit risk from trade receivables within U.A.E. and outside the industry in which the company operates.

Bank balance

The company's bank balances in current accounts are placed with high credit quality financial institutions.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as exchange rate risk, interest rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments

Interest rate risk

Interest on unsecured loan is at fixed rate of interest.

Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirham.

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the owners and the management who ensure that sufficient funds are made available to the company to meet any future commitments.

Fair Value

The fair values of the company's financial asset comprises of trade and other receivables, bank balances and financial liability comprising of unsecured loan and trade and other payables that approximate to their carrying values.

16 COMPARATIVE FIGURES

These have regrouped and reclassified where ever necessary to confirm to the presentation adopted in the current year.

17 ROUNDING OFF

Figures in these financial statements have been rounded off to the nearest U.A.E. Dirham.

Nikhil Kumar

