

MONOMARK ENGINEERING FZE
Fujairah Free Zone Authority,
Fujairah - United Arab Emirates

Auditor's Report & Financial Statements
For the period ended 31st March, 2024

MONOMARK ENGINEERING FZE
Fujairah Free Zone Authority,
Fujairah - United Arab Emirates

Auditor's Report & Financial Statements
For the period ended 31st March, 2024

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INDEPENDENT AUDITOR'S REPORT

Ref no: Magnus/2026-NC/18223-A

The shareholders,
MONOMARK ENGINEERING FZE,
Fujairah Free Zone Authority,
Fujairah - United Arab Emirates

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

We have audited the accompanying financial statements of **MONOMARK ENGINEERING FZE**, which comprise the Statement of Financial Position as at **31st March, 2024**, 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 **MONOMARK ENGINEERING FZE**, as of **31st March 2024**, 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 Auditor's 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.

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 Articles of Association and the rules and regulations of UAE Federal Law No. (32) Of 2021 (as amended), 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 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 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 UAE Federal Law No. (32) Of 2021 (as amended) 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, 2024** any of the applicable provisions of UAE Federal Law No. (32) Of 2021 (as amended) 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 Omran Mousa
Auditing of Accounts
Dubai, United Arab Emirates.
5th September, 2024



MONOMARK ENGINEERING FZE
Fujairah Free Zone Authority, Fujairah - United Arab Emirates

Statement of Financial Position
As at March 31, 2024
(In Arab Emirates Dirham)

	Notes	Mar-24 AED	Mar-24 AED
Assets			
Non-current assets			
Property, plant and equipment	5.1	549,300	549,300
Refundable deposits	6	15,000	15,000
Total non-current assets		564,300	564,300
Current assets			
Trade and other receivables	7	918,988	918,988
Cash and cash equivalents	8	88,731	88,731
Total current assets		1,007,719	1,007,719
Total Assets		1,572,019	1,572,019
Equity and Liabilities			
Equity			
Share capital	10	150,000	150,000
Statutory reserve	11	55,601	55,601
Retained earnings		79,909	79,909
Equity funds		285,510	285,510
Liabilities			
Non-current Liabilities			
Employee benefit obligations	12	18,294	18,294
Total non-current Liabilities		18,294	18,294
Current liabilities			
Due to related parties	13	476,127	476,127
Trade and other payables	14	792,088	792,088
Total current liabilities		1,268,215	1,268,215
Total Liabilities		1,286,509	1,286,509
Total Equity and Liabilities		1,572,019	1,572,019

These financial statements were approved by the Director of the Company on September 05, 2024 and signed on its behalf by:

 

NITESH CHORDIA
Manager

The notes on pages 7 to 17 form an integral part of these financial statements.

MONOMARK ENGINEERING FZE
Fujairah Free Zone Authority, Fujairah - United Arab Emirates

Statement of Comprehensive Income
For the period ended March 31, 2024
(In Arab Emirates Dirham)

	Notes	From April 2023 to	Since inception
		Mar-24	September 28,
		AED	Mar-24
		AED	AED
Revenue	<u>15</u>	3,201,536	3,201,536
Cost of revenue	<u>16</u>	(1,560,166)	(1,750,631)
Gross profit		1,641,370	1,450,905
General and administrative expenses	<u>17</u>	(1,299,363)	(1,529,397)
Profit/ (Loss) from operation		342,007	(78,492)
Finance charges	<u>18</u>	(5,998)	(5,998)
Other income	<u>19</u>	220,000	220,000
Profit for the year/ period		556,009	135,510
Other comprehensive income		-	-
Total comprehensive income for the year/ period		556,009	135,510

 

NITESH CHORDIA
Manager

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MONOMARK ENGINEERING FZE

Fujairah Free Zone Authority, Fujairah - United Arab Emirates

Statement of Cash Flows

For the period ended March 31, 2024

(In Arab Emirates Dirham)

	Note	From April 2023 to Mar-24 AED	Since inception September 28, 2022 to Mar-24 AED
Cash flows from operating activities			
Net profit for the year/period		556,009	135,510
Adjustments for :			
Depreciation of property, plant and equipment	5.1	86,177	86,177
Provision for employee end of term benefits	12	12,679	18,480
Operating cash flow before changes in working capital		654,865	240,167
Changes in working capital :			
Decreases/ (Increases) in Trade and other receivables	7	(665,129)	(918,988)
(Decreases)/ Increases in Trade and other payables	14	532,616	792,088
Payment for employee's end of services benefits	12	(186)	(186)
Cash generated from/ (used) in operations		(132,699)	(127,086)
Net cash generated from/ (used) in operations		522,166	113,081
Cash flows from investing activities			
Purchases of Property, plant and equipment	5.1	(628,430)	(635,477)
Refundable deposits	6	-	(15,000)
Net cash (outflows) from investing activities		(628,430)	(650,477)
Cash flows from financing activities:			
Share capital introduced	10	150,000	-
(Decreases)/ Increases in Due to related parties	13	43,439	626,127
Net cash inflows from financing activities		193,439	626,127
Net increase in cash and cash equivalents		87,175	88,731
Cash and cash equivalents at the beginning of the year/ period		1,556	-
Cash and cash equivalents at the end of the year/ period		88,731	88,731



NITESH CHORDIA

Manager

The notes on pages 7 to 17 form an integral part of these financial statements.

MONOMARK ENGINEERING FZE
Fujairah Free Zone Authority, Fujairah - United Arab Emirates

Statement of Changes in the Equity
For the period ended March 31, 2024
(In Arab Emirates Dirham)

Particulars	Share capital		Retained earnings		Statutory reserve		Total
	AED	AED	AED	AED	AED	AED	
Balance as at September 28, 2022	-	-	-	-	-	-	-
Share capital introduced	150,000		-	-	-	-	150,000
Total comprehensive income for the period	-		135,510	-	-	-	135,510
Transfer in current period	-		(55,601)	55,601	-	-	-
Balance as at March 31, 2024	150,000		79,909	55,601	55,601	285,510	285,510




NITESH CHORDIA
Manager

The notes on pages 7 to 17 form an integral part of these financial statements.

MONOMARK ENGINEERING FZE
Fujairah Free Zone Authority, Fujairah - United Arab Emirates

Notes to the Financial Statements
As at March 31, 2024

1 General information

- 1.1 MONOMARK ENGINEERING FZE (the "Company") incorporated in Fujairah Free Zone Authority, Fujairah holding License no. 4303 in accordance with the provisions of the Fujairah Free Zone Authority, Fujairah. The Address of the registered office of the Company is PO Box No. 51177, Fujairah, United Arab Emirates.

Shareholding structure of the company as on 31st March 2024 is mentioned as below:

Name	Country of incorporation	No. of Shares	Value per share (AED)	Total Value (AED)	%
Monomark Engineering (India) Pvt. Ltd.	India	1,000	150	150,000	100%
		1,000		150,000	100%

The principal activity of company is providing services of "Operation and Maintenance of Metals and Minerals Plant".

1.2 Ultimate beneficial owners (UBO)

As per Cabinet Decision No. (109) of 2023 concerning the regulation of real beneficiary procedures ("UBO Regulations") in the UAE, a UBO is a natural person who ultimately owns or controls, or has the right to vote with, a minimum of 25% of the company's shareholding, whether through direct or indirect ownership, or who has the right to appoint or dismiss the majority of the Directors/Managers of the company.

Details of Ultimate beneficial owners (UBO) as on 31 March 2024:

Name	Nationality	Passport No
Narendra Chordia	India	X3929060
Meena Chordia	India	X3924329

The financial statements for the period ended March 31, 2024 were authorized for issue by the Board of Directors on September 05, 2024.

These financial statements are presented in Arab Emirates Dirham (AED).

Notes to the Financial Statements
As at March 31, 2024

2 Application of New & Revised Standards

2.1 Basis of preparation

a New standards, interpretations and amendments effective from January 1, 2024

New standards impacting in the company that will be adopted in the annual financial statements for the period ended 31 December 2024, and which have given rise to change in the company's accounting policies are;

- IFRS 16 Leases (Amendment - Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non current and Non-current Liabilities with Covenants)
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

b There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the entity has decided not to adopt early.

The following amendments are effective from the period beginning 1 January 2025:

Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

Lack of Exchangeability amends IAS 21 The Effects of Changes in Foreign Exchange Rates to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The following amendments are effective from the period beginning 1 January 2026:

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

Amendments to the Classification and Measurement of Financial Instruments was issued in May 2024 in response to feedback received as part of the post-implementation review of the classification and measurement requirements in IFRS 9 Financial Instruments and related requirements in IFRS 7 Financial Instruments: Disclosures.

Annual Improvements to IFRS Accounting Standards – Amendments to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows

Notes to the Financial Statements
As at March 31, 2024

2 Application of New & Revised Standards (Continued)

The following amendments are effective for the period beginning 1 January 2027:

IFRS 18 Presentation and Disclosure in Financial Statements: IFRS 18 Presentation and Disclosure in Financial Statements was issued in April 2024 to replace IAS 1 Presentation of Financial Statements. IFRS 18 aims to improve financial reporting by: requiring additional defined subtotals in the statement of profit or loss; requiring disclosures about management-defined performance measures; and adding new principles for the aggregation and disaggregation of items. The IASB did not reconsider all aspects of IAS 1 when developing IFRS 18, but instead focused on the statement of profit or loss. The IASB retained some paragraphs from IAS 1 in IFRS 18 and moved some paragraphs from IAS 1 to IAS 8 Basis of Preparation of Financial Statements and IFRS 7 Financial Instruments: Disclosures.

IFRS 19 Subsidiaries without Public Accountability: Disclosures was issued in May 2024. IFRS 19 permits some subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. These entities apply the requirements in other IFRS Accounting Standards except for their disclosure requirements. Instead, these entities apply the requirements in IFRS 19.

2 Significant accounting policies

2.2 Going concern

The financial statements of the entity have been prepared on a going concern basis, which assumes that the entity will be able to meet its liabilities for a period at least 12 months from the date of signing of the financial statements. The shareholders have also confirmed that it is their intention to continue to provide financial support to the Company for a period of at least twelve months from the date of approval of these financial statements, to enable the Company both to meet its obligations as they fall due and to carry on its business without a significant curtailment of its operations.

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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the Notes.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Arab Emirates Dirhams ("AED"), which is the Company's functional and presentation currency.

Notes to the Financial Statements
As at March 31, 2024

2 Significant accounting policies (Continued)

2.4 Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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 purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.5 Financial assets

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

2.6 Impairment of financial assets

Assets carried at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

Notes to the Financial Statements
As at March 31, 2024

2 Significant accounting policies (Continued)

2.6 Impairment of financial assets (Continued)

Assets carried 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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of comprehensive income.

2.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.8 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2.10 Leases

The company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use and asset for a period of time in exchange for consideration. Lease are those contracts that satisfy the following criteria;

- a. There is an identified asset;
- b. The company obtains substantially all the economics benefits from use of the asset; and
- c. The company has the right to direct use of asset.

The company consider whether the supplier has substantive subscription rights. If the supplier does have those rights the contract is not identified as giving rise to lease.

In determining whether the company obtains substantially all the economics benefits from use of the asset, the company consider only the economic benefits that arise of the asset, not those incidental to legal ownership or other potential benefits.

Notes to the Financial Statements
As at March 31, 2024

2 Significant accounting policies (Continued)

2.10 Leases (Continued)

In determining whether the company has the right to direct use of asset, the company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decision to be made because they are preterminal due to the nature of asset, the company consider whether it was involved in the design of asset in a way that paederines how and for what purpose the asset will be used throughout the period of use. If a contract or portion of contract does not satisfy these criteria, the company applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognizing a right of use asset and a lease liability.

- Leases of low value assets; and
- Leases with duration of 12 months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherit in the lease unless this is not readily determinable, in which case the company's incremental borrowing rate on commencement of lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will unchanged throughout the lease term. Over variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes;

- amounts expected to be payable under any residual value guarantee;
- the exercise price of the any purchase option granted in four of the company if it is reusable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for;

- lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payment made. Right of use assets are amortized on a straight line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

For contract that both convey a right to the company to use an identified asset and require service to be provided to the company by the lessor, the company has elected to account for the entire contract as a lease. i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contact.

Notes to the Financial Statements
As at March 31, 2024

2 Significant accounting policies (Continued)

2.11 Value Added Tax (VAT)

VAT asset/liability is recorded in the financial statements of the company based on the requirement of the regulation defined by Federal Tax Authority (FTA).

Expenses and assets are recognized net of the amount of value added tax, except

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expenses item, as applicable.
- When receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the financial statements.

2.11 Share capital

Ordinary shares are classified as equity.

2.12 Provisions

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 will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.13 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods or rendering of services in the ordinary course of the Company's activities. Revenue is presented, net of rebates and discounts. Revenue is recognized as follows:

IFRS 15 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations with IFRSs. It establishes a new five step model that will apply to revenue arising from contracts with customers.

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Notes to the Financial Statements
As at March 31, 2024

2 Significant accounting policies (Continued)

2.13 Revenue recognition (Continued)

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenues as and when the Company satisfies a performance obligation;

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

The Company's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.

The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized, this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Notes to the Financial Statements
As at March 31, 2024

2 Significant accounting policies (Continued)

2.13 Revenue recognition (Continued)

Revenue from contracts with customers for sale of goods and services is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customers.

The Company generally recognizes revenue at a point in time upon supply of goods. Revenue is reduced for rebates and other similar allowances.

3 Financial risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Company's risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out under policies approved by the board of directors at a group level. Key risks are identified and evaluated and based on which risk management procedures are designed and implemented. The group's board of directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

(a) Market risk

(i) Foreign exchange risk

The Company has no significant exposure to foreign exchange risk which will impact the measurement of its financial assets and financial liabilities.

(ii) Price risk

The Company has no significant exposure to price risk which will impact the measurement of its financial assets and financial liabilities.

(iii) Cash flow and fair value interest rate risk

The Company has no significant exposure to interest rate risk as funds borrowed from related party are non-interest bearing.

Notes to the Financial Statements
As at March 31, 2024

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents (excluding cash on hand), trade and other receivables (excluding prepayments) and amounts due from related parties. For banks and financial institutions, only independently rated parties with a good credit rating are accepted. If customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilization of credit limits is regularly monitored.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the business, management aims to maintain flexibility in funding by keeping committed credit lines available, including through related parties.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

Balances due within 12 months equal their carrying values as the impact of discounting is not material and they are mainly short-term in nature.

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return of capital to shareholders, issue new shares or sell assets to reduce debt.

3.3 Fair value estimation

At 31 March 2024, the carrying value of financial assets and financial liabilities approximate their fair values.

Notes to the Financial Statements
As at March 31, 2024

3 Financial risk management (Continued)

3.4 Critical accounting estimates and judgments

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Impairment of trade receivables*

The impairment charge reflects estimates of losses arising from the failure or inability of the parties concerned to make the required payments. The charge is based on the ageing of the customers' accounts, customers' defaults, the customers' credit worthiness and the historical write off experience. Changes to the estimated impairment charge may be required if the financial condition of the customers was to improve or deteriorate.

4 Federal Corporate Tax (CT) regime

On December 9, 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime is effective for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses will be subject to a 9% CT rate and a rate of 0% will apply to taxable income not exceeding a particular threshold to be prescribed by way of a Cabinet Decision. Further, there were several other decisions as at the year that were yet to be finalised by way of a Cabinet Decision that were significant in order for entities to determine their tax status and the taxable income. The Company is in the process of assessing the possible impact on its financial statements, both from current and deferred tax perspective.

4.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset when there is a legally enforceable right to set off recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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As at March 31, 2024

4 Federal Corporate Tax (CT) regime (Continued)

4.2 Deferred tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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Notes to the Financial Statements
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5	Property, Plant and Equipment	Year ended	Period ended
		Mar-24	Mar-24
		AED	AED
	Motor Vehicle	177,200	177,200
	Furniture and Fittings	4,880	4,880
	Office Equipments	453,397	453,397
	Less: Accumulated Depreciation	(86,177)	(86,177)
		549,300	549,300

6	Refundable deposits	Year ended	Period ended
		Mar-24	Mar-24
		AED	AED
	Refundable deposits	15,000	15,000
		15,000	15,000

7	Trade and other receivables	Year ended	Period ended
		Mar-24	Mar-24
		AED	AED
	Trade receivables	99,886	99,886
	Other advances	250,000	250,000
	Prepayments	457,246	457,246
	Other deposits	100,449	100,449
	VAT receivable	-	-
	Other receivables	11,407	11,407
		918,988	918,988

Trade receivables are non-interest bearing. Trade receivables comprise amounts owing to the Company in the normal course of business. Terms vary in accordance with contracts of supply and service, but are generally on 60 days terms from date of invoice.

Ageing of the trade receivables are as below :

	Year ended	
	Mar-24	%
	AED	
1-60 days	46,321	46.37%
61-120 days	53,565	53.63%
120-360 days	-	0.00%
More than 360 days	-	0.00%
As at 31 March	99,886	100.00%

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	Year ended	Period ended
	Mar-24	Mar-24
	AED	AED
8 Cash and cash equivalents		
Cash balance	13,176	13,176
Bank balance	75,555	75,555
	88,731	88,731
9 Financial instruments by category		
(a) Financial Assets		
	Year ended	Period ended
	Mar-24	Mar-24
	AED	AED
Financial assets at amortized cost		
Refundable deposits (Note 6)	15,000	15,000
Trade and other receivables excluding advances and prepayments (Note 7)	211,742	211,742
Cash and cash equivalents (Note 8)	88,731	88,731
	315,473	315,473
9 Financial instruments by category (Continued)		
(b) Financial Liabilities		
	Year ended	Period ended
	Mar-24	Mar-24
	AED	AED
Financial liabilities at amortized cost		
Trade and other payables excluding advance from customers (Note 14)	531,638	531,638
	531,638	531,638
10 Share capital		
	Year ended	Period ended
	Mar-24	Mar-24
	AED	AED
Share capital	150,000	150,000
	150,000	150,000

The company received the share capital contribution from Monomark Engineering (India) Pvt. Ltd. into its bank account on 17 February 2024.

11 Statutory reserve

In accordance with the Article 13 of Articles of Incorporation of the company, the Company has established a statutory reserve by appropriating 10% of profit for each period until the reserve reached at least 50% of the share capital.

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Notes to the Financial Statements
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12	Employee benefit obligations	Year ended	Period ended
		Mar-24	Mar-24
		AED	AED
	As at 1 April	5,801	5,801
	Charge for the year/ period	12,679	12,679
	Paid during the year/ period	(186)	(186)
	As at 31 March	18,294	18,294

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations at March 31, 2024 using the projected unit credit method, in respect of employees' end of service benefits payable under the applicable labour laws. Under this method, an assessment has been made of an employee's end of services benefits which is due on March 31, 2024.

13 Related party transactions and balances

Related parties comprise the Company's shareholders parent and ultimate parent, their subsidiaries, fellow subsidiaries, associates, and businesses controlled by the shareholders or over which they exercise significant management influence ("affiliates") and key management personnel. Pricing policies and terms of transactions are in accordance with agreements between these related parties and are approved by the Company's management in the ordinary course of business.

13.1	Due to related parties	Nature of relation	Year ended	Period ended
			Mar-24	Mar-24
			AED	AED
	Monomark Engineering (India) Pvt. Ltd.	Holding Company	476,127	476,127
			476,127	476,127

The Company has not made any allowance for bad or doubtful debts in respect of related party debtors nor has any guarantee been given or received during the period ended March 2024 regarding related party transactions.

14	Trade and other payables	Year ended	Period ended
		Mar-24	Mar-24
		AED	AED
	Trade payables	65,753	65,753
	Other payable	256,104	256,104
	Advance from customers	260,450	260,450
	Rent payable	157,667	157,667
	VAT payable	39,960	39,960
	Staff payable	12,154	12,154
		792,088	792,088

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Notes to the Financial Statements
As at March 31, 2024

14 Trade and other payables (Continued)

Ageing of the trade payables are as below :

	Year ended Mar-24	
	AED	%
1-60 days	49,731	75.63%
61-120 days	16,022	24.37%
120-360 days	-	0.00%
More than 360 days	-	0.00%
As at 31 March	65,753	100.00%

At the reporting date, 3 vendors constituted 100% trade payables.

15 Revenue	Year ended	Period ended
	Mar-24	Mar-24
	AED	AED
Provision of services	3,201,536	3,201,536
	3,201,536	3,201,536

The company has generated the revenue by providing services of "Operation and Maintenance of Metals and Minerals Plant".

16 Cost of revenue	Year ended	Period ended
	Mar-24	Mar-24
	AED	AED
Direct salary expenses	1,156,662	1,347,127
Equipment hired charges	287,407	287,407
Fuel consumption	116,097	116,097
	1,560,166	1,750,631

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	Year ended	Period ended
	Mar-24	Mar-24
	AED	AED
17 General and administrative expenses		
Salary and other benefits	559,611	657,220
Depreciation expenses	86,177	86,177
Legal, license and professional fees	66,327	78,242
Fines & Penalties	69,787	69,787
Transport and travelling expenses	121,023	147,526
Visa expenses	112,154	145,304
Insurance expenses	38,534	38,534
Rent expenses	45,563	68,533
Communication and utility expenses	107,432	121,320
Gratuity expenses	12,679	18,480
Repairs and maintenance expenses	15,458	17,625
Other office expenses	64,618	80,649
	1,299,363	1,529,397
	Year ended	Period ended
	Mar-24	Mar-24
	AED	AED
18 Finance charges		
Bank charges	5,998	5,998
	5,998	5,998
	Year ended	Period ended
	Mar-24	Mar-24
	AED	AED
19 Other income		
Technical Consultancy Fees	220,000	220,000
	220,000	220,000

 

NITESH CHORDIA
Manager