



**Alphageo International Limited
and its Subsidiary
Consolidated Financial Statements
March 31, 2022**

Alphageo International Limited and its Subsidiary
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March 31, 2022

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Independent Auditor's Report

The Shareholders of Alphageo International Limited and its Subsidiary

Opinion

We have audited the consolidated financial statements of Alphageo International Limited and its Subsidiary ("collectively referred as Group"), which comprise of the consolidated statement of financial position as at March 31, 2022, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, give a true and fair view of the financial position of Alphageo International Limited and its Subsidiary as at March 31, 2022, and of its consolidated financial performance and consolidated cash flows for the year then ended in conformity with International Financial Reporting Standards for Small and Medium - sized Entities.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of the Management for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards for Small and Medium - sized Entities 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 consolidated financial statements, the Management is responsible for assessing the Group'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, the Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether these consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional 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 risks 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, misrepresentation or override of internal controls.
- Obtain an understanding of internal controls 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 Group's internal controls.
- 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 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 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

We also provide to the Management with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Management, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

Affiniax A A S Auditors



Abeer Altaf Syed
Registration No : 1148
Dubai
May 18, 2022



Alphageo International Limited and its Subsidiary
Consolidated Statement of Comprehensive Income
Year Ended March 31, 2022

(Figures in USD)	Note	2022	2021
Revenue	4	73,399	117,656
Direct expenses	5	<u>(154,608)</u>	<u>(183,526)</u>
Gross Loss		(81,209)	(65,870)
Other Income	6	25,368	5,521
General, administration and selling expenses	7	(78,047)	(59,199)
Finance costs	8	<u>(331)</u>	<u>(611)</u>
Loss before tax		(134,219)	(120,159)
Less: Income tax		<u>(7,634)</u>	<u>(12,236)</u>
Loss for the year		<u>(141,853)</u>	<u>(132,395)</u>



Alphageo International Limited and its Subsidiary
Consolidated Statement of Financial Position
As at March 31, 2022

(Figures in USD)	Note	2022	2021
ASSETS			
Current Assets			
Cash and cash equivalents	9	3,722,703	3,339,026
Trade accounts receivable	10	Nil	62,195
Other receivable and prepayments	11	225,817	556,845
Total Current Assets		3,948,520	3,958,066
Non-Current Assets			
Property, plant and equipment	12	1,570,540	1,705,148
Total Non-Current Assets		1,570,540	1,705,148
Total Assets		5,519,060	5,663,214
LIABILITIES AND EQUITY			
Current Liabilities			
Trade accounts and other payable	13	7,045	10,398
Total Current Liabilities		7,045	10,398
Non-Current Liabilities			
Employees' end of service benefit	14	7,852	6,800
Total Non-Current Liabilities		7,852	6,800
Equity			
Share capital	15	2,848,047	2,848,047
Retained earnings		2,656,116	2,797,969
Total Equity Attributable to the Shareholders		5,504,163	5,646,016
Total Liabilities and Equity		5,519,060	5,663,214

These financial statements were approved by the Board of Directors on May 18, 2022 and signed on their behalf by:



Mr. Hamit Ummak
Director



Alphageo International Limited and its Subsidiary
Consolidated Statement of Changes in Equity
Year Ended March 31, 2022

(Figures in USD)	Share Capital	Retained Earnings	Total
As at April 01, 2020	2,848,047	2,930,364	5,778,411
Loss for the year	Nil	<u>(132,395)</u>	<u>(132,395)</u>
As at March 31, 2021	2,848,047	2,797,969	5,646,016
Loss for the year	Nil	<u>(141,853)</u>	<u>(141,853)</u>
As at March 31, 2022	<u>2,848,047</u>	<u>2,656,116</u>	<u>5,504,163</u>



Alphageo International Limited and its Subsidiary
Consolidated Statement of Cash Flows
Year Ended March 31, 2022

(Figures in USD)	2022	2021
Cash Flow from Operating Activities		
Loss for the year	(141,853)	(132,395)
<u>Adjustments for:</u>		
Depreciation	134,608	177,951
Provision for employee's end of service benefits	1,052	857
<u>Changes in operating assets and liabilities</u>		
Decrease / (Increase) in trade accounts and other receivable	393,223	(44,750)
Decrease in trade accounts and other payable	(3,353)	(857)
Net cash generated from operating activities	383,677	806
Net change in cash and cash equivalents	383,677	806
Cash and cash equivalents at beginning of the year	3,339,026	3,338,220
Cash and cash equivalents at end of the year	<u>3,722,703</u>	<u>3,339,026</u>



Alphageo International Limited and its Subsidiary

Notes to the Consolidated Financial Statements

March 31, 2022

1 Legal Status, Shareholder, Management and Business Activity

These Consolidated Financial Statements of Alphageo International Limited and its Subsidiary ("collectively referred as Group"), comprises of:

Alphageo International Limited ("Company"), a Limited Liability Company formed in accordance with the Offshore Companies Regulations of the Jebel Ali Free Zone of 2003, and registered with the Jebel Ali Free Zone Authority under registration number OF-139127 in the Emirate of Dubai, United Arab Emirates.

Alphageo DMCC ("Subsidiary"), a Limited Liability Company formed in accordance with the Laws and Implementing Regulations of Dubai Multi Commodities Centre and registered under service license number DMCC-31569 in the Emirate of Dubai, United Arab Emirates.

The registered address of the Company is Office 106, The Binary, Al Abraj Street, Business Bay, P.O. Box 413383, Dubai, United Arab Emirates.

Alphageo India Limited is the ultimate Shareholder of the Company.

The Group is managed by its Board of Directors.

The Group is engaged in activity of Investments in Limited Liability Companies, Partnerships, Joint Ventures and in any other Companies; General Trading; Providing Technical Support Services outside United Arab Emirates; providing onshore and offshore oil and gas field services, geophysical and geological services and studies and extraction and drilling equipment and machinery rental.

2 Basis of Preparation of Consolidated Financial Statements

These consolidated financial statements are prepared on a going concern basis and in compliance with International Financial Reporting Standards for Small and Medium-sized Entities issued by International Accounting Standards Board. They are presented in United States Dollar, currency unit of United States of America. The presentation of consolidated financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities requires the determination and consistent application of accounting policies to transactions and events. Significant accounting policies, adopted and applied consistently in dealing with items that are considered material in relation to these consolidated financial statements, are set below.

The consolidated financial statements have been prepared under the historical cost convention basis.

These consolidated financial statements comprise a consolidation of the financial statements of the parent Company and its Subsidiary on a line-by-line basis.

The consolidated financial statements incorporate the financial statements of the parent Company and its Subsidiary where the Company achieved control by owning, directly or indirectly more than half of voting power in the subsidiary or by having the power to govern the financial and operating policies of the other company so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other member of the Group.



2 Basis of Preparation of Consolidated Financial Statements (Continued)

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards for Small and Medium-sized Entities requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstances.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgments made by the management in the application of accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements, and estimates that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are as stated in Note 3.

3 Summary of Significant Accounting Policies

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Group's activities. Revenue is shown net of rebates and discounts.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the group.

The Group recognises revenue on rendering services as per the terms of contract, which is based on the periodic completion of the job certified by the client and when the amount of revenue can be reliably measured and estimated to be receivable.

Interest income is recognised using the effective interest method.

Property, Plant and Equipment

Property, plant and equipment, is stated at historical costs less accumulated depreciation and any accumulated impairment losses. Historical costs includes expenditure that is directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The cost of replacing or addition to an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.



3 Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment (Continued)

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

Plant and machinery	5 years to 20 years
Computers and software	3 years to 6 years
Other equipments	5 years

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 Group 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 comprehensive income.

Inventories

Inventories are measured at lower of cost and net realisable value. The cost of spare parts and consumables are based on first in first out method. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses.

At each reporting date, inventories are assessed for impairment and the net value is reflected in the consolidated financial statements.

Financial Instruments

Financial assets are recognised when the Group becomes a party to the contractual provision of the financial instrument. Financial assets are derecognised when the contractual rights to receive the cash flows expire or substantially all the risks and rewards of ownership have been transferred. These are stated at cost less impairment losses. These are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. The Group derecognises financial liabilities when they are discharged, cancelled or expired. These are stated at cost, or where the impact is material at amortised cost using the effective interest method. These are included in current liabilities, except for maturities greater than 12 months after the balance sheet date which are classified as non-current liabilities.

Financial instruments comprise of trade accounts and other receivable, cash in hand and at bank, trade accounts and other payable.



3 Summary of Significant Accounting Policies (Continued)

Accounts and Other Receivable

Receivable are initially recognised at transaction price. They are subsequently stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

The Management undertakes a periodic review of amounts recoverable and trade accounts other receivable, and determines recoverability based on various factors such as ageing of receivable, payment history, collateral available and other knowledge about the receivable and estimates the provision for bad and doubtful debts, if any required.

Cash and Cash Equivalents

Cash and cash equivalents comprise of cash at banks accounts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Accounts and Other Payable

Accounts and other payable are stated at nominal amounts payable for goods or services rendered.

Employee's End of Service Benefits

Provision is made for the amounts payable under the UAE labour law applicable to the employees and is based on current basic remuneration and cumulative period of service at the balance sheet date.

Provision is made on the assumption that all employees were to leave as of the balance sheet date since this provides, in Management's opinion, a reasonable estimate of the present value of terminal benefits.

Unsecured Loans

Loans payable are non-derivative financial liabilities with fixed or determinable payments. They are measured at amortised cost using the effective interest method, less any impairment.

Provisions

Provisions are recognised when the Group has a present obligation as a result of past event and it is probable that the outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the amount expected to be required to settle the obligation and the risk specific to the obligation.

Foreign Income Taxes

The tax expense is recognised for tax payable on taxable profit for current and past period. The Company has measured this tax expense at the amount it expects to pay at the prevailing tax rates and laws and regulations that have been enacted or substantively enacted at the reporting date, in the jurisdiction of the Company's operation.



Alphageo International Limited and its Subsidiary
Notes to the Consolidated Financial Statements
March 31, 2022

3 Summary of Significant Accounting Policies (Continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to statement of comprehensive income on a straight-line basis over the period of the lease.

Value Added Taxes

Expenses and assets are accounted inclusive of the value added tax as the Company is not required to register with Federal Tax Authority.

Foreign Currencies Translations

Items included in the consolidated financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements of the Group are presented in United States Dollars which is the functional and presentational currency.

Transactions other than functional currency, are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year - end exchange rates of monetary assets and liabilities denominated in currencies, other than functional currency, are recognised in statement of comprehensive income.

(Figures in USD)	2022	2021
4 Revenue		
Equipment rentals	73,399	117,656
	<u>73,399</u>	<u>117,656</u>
5 Direct Expenses		
Technical support	20,000	5,000
Depreciation	134,608	177,951
Warehouse charges	Nil	575
	<u>154,608</u>	<u>183,526</u>
6 Other income		
Interest earned on loan	19,800	Nil
Interest earned from bank	5,568	5,521
	<u>25,368</u>	<u>5,521</u>



Alphageo International Limited and its Subsidiary
Notes to the Consolidated Financial Statements
March 31, 2022

(Figures in USD)	2022	2021
<u>7 General, Administration and Selling Expenses</u>		
Employees cost	30,796	12,613
Legal and professional	23,706	23,810
Audit fees	14,803	15,574
Travelling and conveyance	599	3,639
Communication	Nil	55
Insurance	516	486
Rent	6,247	1,522
Miscellaneous	1,380	1,500
	<u>78,047</u>	<u>59,199</u>
<u>8 Finance Costs</u>		
Bank charges and commission	331	611
	<u>331</u>	<u>611</u>
<u>9 Cash and Cash Equivalents</u>		
Balance in functional currency accounts	3,722,521	3,338,429
Balance in other than functional currency accounts	182	597
	<u>3,722,703</u>	<u>3,339,026</u>
<u>10 Trade Accounts Receivable</u>		
Accounts receivable	Nil	62,195
	<u>Nil</u>	<u>62,195</u>
<u>11 Other Receivable and Prepayments</u>		
Prepaid expenses	24,452	34,758
Interest receivable	1,365	22,087
Loan to third party	200,000	500,000
	<u>225,817</u>	<u>556,845</u>

Note: The above loan given to third party was against the contract awarded from Geological Survey of India. This loan is unsecured and bearing interest at the rate of 1% per month as per the agreement dated November 26, 2019.



Alphageo International Limited and its Subsidiary
Notes to the Consolidated Financial Statements
March 31, 2022

(Figures in USD)

12 Property, Plant and Equipment

	Plant and Machinery	Computers and Software	Other Equipments	Total
Original Cost :				
As at April 01, 2021	7,053,095	162,485	29,868	7,245,448
As at March 31, 2022	7,053,095	162,485	29,868	7,245,448
Depreciation :				
As at April 01, 2021	5,357,564	154,361	28,375	5,540,300
Charge for the year	134,608	Nil	Nil	134,608
As at March 31, 2022	5,492,172	154,361	28,375	5,674,908
Net Block :				
As at March 31, 2022	1,560,923	8,124	1,493	1,570,540
As at March 31, 2021	1,695,531	8,124	1,493	1,705,148

Note: Depreciation on plant and machinery is classified under direct expense and the depreciation on other assets is classified under general and administration expense.

	2022	2021
13 Trade Accounts and Other Payable		
Accounts payable	Nil	1,200
Accrued expenses	7,045	9,198
	7,045	10,398

14 Employees' End of Service Benefits

Balance at the beginning of the year	6,800	5,943
Provision for the year	1,052	857
Balance at the end of the year	7,852	6,800



Alphageo International Limited and its Subsidiary

Notes to the Financial Statements

March 31, 2022

(Figures in USD) 2022 2021

15 Share Capital

Authorised Share Capital

750,000 shares of AED 100 each 20,336,226 20,336,226

Paid-up Share Capital

105,036 shares of AED 100 each fully paid up 2,848,047 2,848,047

16 Transactions with Related Parties

The Group, in the normal course of business carries out transactions with parties that fall within the definition of related party contained in the International Financial Reporting Standards for Small and Medium-sized Entities. Significant transactions with related parties consists of working capital funding from / to related party. Other transactions are as follows:

Equipment rental from ultimate parent 73,399 117,656

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

Related party	Classification		
Shareholder	Trade accounts receivable (Note 10)	Nil	62,195

17 Contingent Liabilities

Except for the above and ongoing service commitments in the normal course of business against which no loss is expected, there are no other known contingent liabilities existing at the balance sheet date.

18 Financial Risk Management

The main risks to which the Group is exposed are as under:

(a) Credit Risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk of the Group arises from trade debts, investments, loans and advances and other receivables.

The maximum exposure to credit risk at the end of the reporting period was:

Accounts receivables	Nil	62,195
Interest receivable	1,365	20,750
Loan to third party	200,000	500,000
	<u>201,365</u>	<u>582,945</u>



Alphageo International Limited and its Subsidiary

Notes to the Financial Statements

March 31, 2022

(Figures in USD)

2022

2021

18 Financial Risk Management (Continued)

(b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk may results from the inability to sell a financial assets quickly at close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available, to meet any future commitments.

Trade and other payable	Nil	1,200
Accrued expenses	7,045	9,198
	<u>7,045</u>	<u>10,398</u>

(c) Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates. The Group does not have any exposure to interest rate risk.

(d) Currency Risk

Currency risk is the risk of loss due to adverse movements in foreign exchange rates relating to transactions denominated in foreign currencies. There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in US Dollars to which the Arab Emirates Dirham is pegged.

19 Subsequent Events After The Reporting Date

There is no significant events occurred after the balance sheet date, which require disclosures in the financial statements.

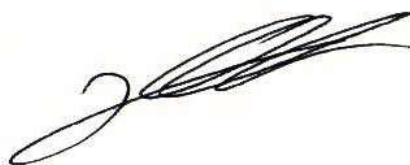
20 Rounding Off of Figures

All figures have been rounded off to the nearest US Dollars.

21 Comparative Figures

Certain of the prior year figures have been regrouped to conform with the presentation of the current year.

These financial statements were approved by the Board of Directors on May 18, 2022 and signed on their behalf by:



Mr. Hamit Ummak
Director

