

INTENSE TECHNOLOGIES (FZE)
HAMRIYAH FREE ZONE, SHARJAH, UAE
AUDITORS' REPORT & FINANCIAL STATEMENTS
MARCH 31, 2020



INTENSE TECHNOLOGIES (FZE)

HAMRIYAH FREE ZONE

SHARJAH, UAE

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Intense Technologies (FZE)
Hamriyah Free Zone Authority, Sharjah, UAE
Report of the Director

The Management has pleasure in presenting this report together with the audited financial statements of the establishment for the year ended March 31, 2020.

Legal Status

"Intense Technologies (FZE)" here-in-after called 'the Establishment' operates as a Free Zone Establishment with Limited Liability and operating under a Commercial License No. 10947 issued by Hamriyah Free Zone Authority, Sharjah, UAE. The registered address of the Establishment is P.O. Box 53142, Hamriyah Free Zone, Sharjah, UAE.

Principal Activity

The Principal Activities of the Establishment are Import and Export of Software and Information Technology IT Products.

Results of Operation

Net Profit of the establishment for the year is AED 685,835/-

Risk Management

The establishment is committed to pursuing the process of identifying risk factors, closely monitoring & analyzing the risks and take decisions to mitigate the risks with the aim of ensuring continuance of business operations and growth to make value addition to the shareholder's equity. The risk management policy identifies, assesses, manages and reports risks on a continuous basis. The Management consider the key risk areas to be credit risk, market risk and liquidity risk.

Director's Responsibility

The Director is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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.

The Director is responsible for keeping proper financial records in line with laws, rules and regulations of Hamriyah Free Zone Authority, Sharjah, UAE for taking reasonable steps to safeguard the assets of the entity and to prevent and detect fraud and other irregularities.

Events after the reporting year

There were no transactions or event of a material nature after the reporting year, which is likely to affect, substantially the result of the operations or the financial position of the establishment.

Going Concern

The attached financial statements have been prepared on the going concern basis. While preparing the financial statements the management has made an assessment of the establishment's ability to continue as a going concern. The management has not come across any evidence that causes the management to believe that material uncertainties related to the events or conditions existed, which may cause significant doubt on the establishment's ability to continue as a going concern.



Intense Technologies (FZE)
Hamriyah Free Zone Authority, Sharjah, UAE
Report of the Director (continued...)

Auditors

The independent auditors, Maxims Auditors & Consultants, Dubai, UAE have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

On behalf of the Board of Directors

For Intense Technologies (FZE)

B.S. Reddy
Authorized Signatory





INDEPENDENT AUDITORS' REPORT

**TO THE SHAREHOLDER OF INTENSE TECHNOLOGIES (FZE),
HAMRIYAH FREE ZONE, SHARJAH, UAE**

Report on the financial statements

We have audited the accompanying financial statements of **INTENSE TECHNOLOGIES (FZE)**, Hamriyah Free Zone, Sharjah, UAE which comprise the statement of financial position as of March 31, 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes related to the financial statements, set out on pages 5 to 14.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and with the applicable provisions of implementing regulations issued by the Hamriyah Free Zone Authority pursuant to Emiri Decree No. 6 of 1995. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 depend 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 entity's 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 entity'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 accompanying financial statements give a fair view, in all material respects, of the financial position of the Entity as of March 31, 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).



Report on other legal and regulatory requirements

As required by the provisions of the Emiri Decree No. 6 of 1995 issued in Sharjah; applicable to Hamriyah Free Zone Authorities, we further confirm that:

- i) We are not aware of any contraventions during the year of the above mentioned law or the FZE's Articles of Association, which may have material effect on the financial position of the entity or the result of its operations for the year.

Respectfully,

Maxims Auditors & Consultants

Registration No. 651

Authorized Signatory
May 26, 2020



Intense Technologies (FZE)
P. O. Box: 53142
Hamriyah Free Zone Authority, Sharjah, UAE
Statement of Financial Position as at March 31, 2020

ASSETS :	Note	31-03-2020 AED	31-03-2019 AED
CURRENT ASSETS			
Accounts and Other Receivables	7	1,166,723	487,756
Bank Balance	8	207,790	379,138
TOTAL ASSETS		1,374,513	866,894
EQUITY & LIABILITIES :			
OWNERS' EQUITY			
Capital Account		3,779,000	3,779,000
Current Account	9	515,583	678,053
Accumulated Losses		(2,959,449)	(3,645,284)
		1,335,134	811,769
CURRENT LIABILITIES			
Other Payables	10	39,379	55,125
		39,379	55,125
TOTAL EQUITY & LIABILITIES		1,374,513	866,894

The accompanying notes 1 to 16 form an integral part of these financial statements.

The Report of the Auditors is set out on pages 3 & 4.

These financial statements on pages 5 to 14 were approved by the Manager on May 26, 2020 and signed by:

For Intense Technologies (FZE)

B.S. Keddah
 Authorized Signatory



Intense Technologies (FZE)

P. O. Box: 53142

Hamriyah Free Zone Authority, Sharjah, UAE

Statement of Profit or Loss and Other Comprehensive Income

For the year ended March 31, 2020

	Note	31-03-2020 AED	31-03-2019 AED
Revenue	11	1,999,067	1,670,738
Cost of Sales	12	<u>(841,765)</u>	<u>(993,941)</u>
Gross Profit		1,157,302	676,797
Other Income		Nil	439
General & Administration Expenses	13	<u>(471,467)</u>	<u>(1,104,937)</u>
Net Profit/ (Loss) for the year		685,835	(427,701)
Other Comprehensive Income		Nil	Nil
Total Comprehensive income/(loss) for the year		685,835	(427,701)

The accompanying notes 1 to 16 form an integral part of these financial statements.

The Report of the Auditors is set out on pages 3 & 4.

These financial statements on pages 5 to 14 were approved by the Manager on May 26, 2020 and signed by:

For Intense Technologies (FZE)

B.S. Reddy

Authorized Signatory



Intense Technologies (FZE)
P. O. Box: 53142
Hamriyah Free Zone Authority, Sharjah, UAE
Statement of Changes in Equity
For the year ended March 31, 2020

	Share Capital	Current Account	Accumulated Losses	Total
Balance as at March 31, 2018	1,850,000	3,274,324	(3,217,583)	1,906,741
Capital introduced during the year	1,929,000	Nil	Nil	1,929,000
Net movement during the year	Nil	(2,596,271)	Nil	(2,596,271)
Total Comprehensive income/(loss) for the year	Nil	Nil	(427,701)	(427,701)
Balance as at March 31, 2019	3,779,000	678,053	(3,645,284)	811,769
Net movement during the year	Nil	(162,470)	Nil	(162,470)
Total Comprehensive income/(loss) for the year	Nil	Nil	685,835	685,835
Balance as at March 31, 2020	3,779,000	515,583	(2,959,449)	1,335,134

The accompanying notes 1 to 16 form an integral part of these financial statements.

The Report of the Auditors is set out on pages 3 & 4.



Intense Technologies (FZE)
P. O. Box: 53142
Hamriyah Free Zone Authority, Sharjah, UAE
Statement of Cash Flows
For the year ended March 31, 2020

	<i>31-03-2020</i>	<i>31-03-2019</i>
	<i>AED</i>	<i>AED</i>
Operating Activities		
Total Comprehensive income/(loss) for the year	685,835	(427,701)
<i>Adjustments :</i>	<i>Nil</i>	<i>Nil</i>
Operating Profit before Working Capital Changes	685,835	(427,701)
(Increase)/Decrease in Inventories	Nil	21,084
(Increase)/Decrease in Accounts and Other Receivables	(678,967)	1,318,688
Increase/(Decrease) in Other Payables	(15,746)	(18,598)
Net Cash generated/(used) in Operating Activities	(8,878)	893,473
Cash Flow from Financing Activities		
Capital Introduced	Nil	1,929,000
Net Movement in Shareholder's Current Account	(162,470)	(2,596,271)
Net Cash generated/(used) from Financing Activities	(162,470)	(667,271)
Net increase in cash and cash equivalents	(171,348)	226,202
Cash and cash equivalents at the beginning of the year	379,138	152,936
Cash and cash equivalents at the end of the year	207,790	379,138
<u>Cash and Cash equivalents represented by:</u>		
<i>Cash at Bank</i>	<i>207,790</i>	<i>379,138</i>
	207,790	379,138

The accompanying notes 1 to 17 form an integral part of these financial statements.

The Report of the Auditors is set out on pages 3 & 4.



Intense Technologies (FZE)
P. O. Box: 53142
Hamriyah Free Zone Authority, Sharjah, UAE
Notes to the Financial Statements
For the year ended March 31, 2020

1. Establishment and Operations

"Intense Technologies (FZE)" here-in-after called 'the Establishment' operates as a Free Zone Establishment with Limited Liability and operating under a Commercial License No. 10947 issued by Hamriyah Free Zone Authority, Sharjah, UAE. The registered address of the Establishment is P.O. Box 53142, Hamriyah Free Zone, Sharjah, UAE.

2. Management

The management and control of the Establishment is vested with Mr. Madhukar Nayak Halsinkatte (Indian National) and Mr. Reddy Shivaprasad Subbareddy (Indian National). The managers of the Establishment.

3. Share Capital

The authorized, issued and paid up capital of the Establishment is AED 3,779,000 divided into 3779 shares of AED 1,000/- each. The details of shareholding as on the date of statement of financial position are as follows:

<u>Name of the Shareholder</u>	<u>Shareholding</u>	<u>Value of Share (AED)</u>
a) Intense Technologies Limited, INDIA	100%	3,779,000
	100%	3,779,000

4. Principal Activity

The Principal Activities of the Establishment are Import and Export of Software and Information Technology IT Products..

5. Reporting period

These financial statements cover the year from April 01, 2019 to March 31, 2020. The previous financial statement covers the year from April 1, 2018 to March 31, 2019.

6. Summary of Significant Accounting Policies and Disclosures

a. Basis of Preparation

The financial statements have been prepared under historical cost basis. The financial statements are presented in Arab Emirate Dirhams (AED) and all values are rounded to the nearest Arab Emirate Dirham. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

b. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).



Intense Technologies (FZE)
Hamriyah Free Zone Authority, Sharjah, UAE
Notes to the Financial Statements (continued...)
For the year ended March 31, 2020

- c. *Adoption of new and revised International Financial Reporting Standards.*
- i) The following new and revised IFRSs applied with no material effect on the financial statements.

IAS 32 : Offsetting Financial Assets and Financial Liabilities
IFRS 10 : Consolidated Financial Statements (Amendments to Investment Entities).
IFRS 12 : Disclosure of Interest in Other entities (Amendments to Investment Entities).
IFRS 19 : Employee Benefits (Defined Benefits Plans - Employee contributions).
IAS 19 : Employee Benefits (Defined Benefits Plans - Employee contributions).
IAS 27 : Separate Financial Statements (Amendments to Investment Entities).
IAS 36 : Recoverable amount disclosures for Non-Financial Assets.
IAS 39 : Financial Instruments - Recognition and Measurement Amendments to IAS 39 'Novation of derivatives'.
IFRS 5 : Non-current assets held for sale and discontinued operations - changes of method of disposal.
IFRS 7 : Financial Instruments - Servicing contracts
IFRS 7 : Financial Instruments - Applicability of the offsetting disclosures to condensed interim financial statements.
IAS 19 : Employees Benefits - Discount rate : regional market issue
IAS 34 : Interim financial reporting - Disclosure of information 'elsewhere in the interim financial report'.
IFRIC : Levies
IFRS 14 : Regulatory Deferral Accounts
IAS 26 : Fair Value discloses by Retirement Benefit Plan
IFRS 11 : Accounting for Acquisitions of Interest in Joint Operations
IAS 16 & IAS38 : Clarification of acceptable method of depreciation and amortization.
IAS 16 & IAS41 : Agriculture; Bearer Plants.
IAS 1 : Disclosure Initiative
IFRS 10, IFRS 12 and IAS 28 : Investment Entities - Applying the consolidation exception.
IAS 12: Recognition of Deferred Tax Assets for unrealized losses - 1st January 2017.
IFRS 12 : Disclosure of Interests in Other Entities
IAS 19 : Plan Amendment, Curtailment or Settlement - 1st January 2019
IFRS 9 : Prepayment Features with Negative Compensation - 1st January 2019
IAS 28 : Long Term Interests in Associates and Joint Ventures - 1st January 2019
IFRS 16 : Leases - 1st January 2019.
IFRIC 23 : Uncertainty over income tax treatments - 1st January 2019
IFRS10 : Sale of Contribution of Assets between investor and its associate or Joint Venture - 1st January 2020.
IAS 1 & IAS 8 : Definition of Material - 1st January 2020



Intense Technologies (FZE)
Hamriyah Free Zone Authority, Sharjah, UAE
Notes to the Financial Statements (continued...)
For the year ended March 31, 2020

- ii) The following standards, amendments thereto and interpretations have been issued prior to March 31, 2020 but have not been applied in these financial statements as their adoption are effective from future reporting periods. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures within the financial statements.

IFRS 17 : Insurance contracts - 1st January 2021

IAS 1 : Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) - 1st January 2022

Management anticipate that the adoption of these Standard and Interpretations' will have no material impact on the financial statements of the entity in the period of initial application.

d. *Revenue Recognition*

Income is recognized when it is earned, not necessarily when received. The income has been recognized when invoices are raised and acknowledged by the customer. Expenses and charges have been recognized when it was incurred, not necessarily when paid.

e. *Inventories*

Inventories are stated at the lower of cost and net realisable value using weighted average method. Costs comprise direct materials and, where applicable, direct labour costs and the overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to disposal.

f. *Accounts Receivables*

Accounts 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 initially recognized at fair value and subsequently measured at amortised cost reduced by appropriate allowance for estimated doubtful debts.

g. *Other Receivables*

Other Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in the current assets, except for maturities greater than 12 months after the end of the reporting period. The entity's other receivables comprises "cash and cash equivalents, deposits, prepayments and loans and advances.

h. *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and other short-term highly liquid investments with a maturity date of three months or less from the date of investments.



Intense Technologies (FZE)
Hamriyah Free Zone Authority, Sharjah, UAE
Notes to the Financial Statements (continued...)
For the year ended March 31, 2020

i. Other Payables

Other payables represents current payables other than dividend payables and tax payables. These payables are expected to mature within one year or an operating cycle, which ever is no longer. Other payables includes payables to employees, accrued expenses and duties.

j. Provisions

Provisions are recognized when the entity 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 can be made of the amount of the obligation. The expense relating to any provision is recognized in the profit or loss, net of any reimbursement.

k. Foreign Currency Transactions

Foreign currency transactions are recorded in UAE Dirham at the approximate rate of exchange ruling at the time of the transaction. Assets and liabilities expressed in foreign currencies at the Statement of Financial Position date are converted to UAE Dirham at the year end rate of exchange. All foreign currency gains and losses are booked in the statement of income as they arise.

l. Profit and Loss account

The entity's profit or loss is arrived at after charging all expenses incurred in day to day operations of the business and in maintaining property, plant and equipment.

m. Rounding off

The figures stated in the attached financial statements are rounded off to the nearest UAE Dirham.

n. Fair Value of financial instruments

The value of all classes of financial assets and financial liabilities, as recorded in the Statement of Financial Position approximate the fair value of these assets and liabilities.

o. General

In the opinion of the management all the assets as shown in the financial statements are existing and realizable at the amount shown against and there are no liabilities against the entity contingent or otherwise not included in the above Financial Statement.



Intense Technologies (FZE)
Hamriyah Free Zone Authority, Sharjah, UAE
Notes to the Financial Statements (continued...)
For the year ended March 31, 2020

	<i>31-03-2020</i>	<i>31-03-2019</i>
	<i>AED</i>	<i>AED</i>
7. Accounts and Other Receivables		
Trade Receivables	1,149,930	443,263
Deposits	11,585	39,285
Prepayments	5,208	5,208
	<u>1,166,723</u>	<u>487,756</u>
8. Bank Balance		
Cash at Bank	207,790	379,138
	<u>207,790</u>	<u>379,138</u>
9. Shareholder's current account		
Opening balance	678,053	3,274,324
Net movement during the year	(162,470)	(2,596,271)
Closing balance	<u>515,583</u>	<u>678,053</u>
10. Other Payables		
Other Payables	35,479	52,125
Accrued Expenses	3,900	3,000
	<u>39,379</u>	<u>55,125</u>
11. Revenue		
Income	<u>1,999,067</u>	<u>1,670,738</u>
12. Cost of Sales		
Opening Stock	Nil	21,084
Purchase with direct expenses	841,765	972,857
Closing Stock	Nil	Nil
	<u>841,765</u>	<u>993,941</u>
13. General & Administration Expenses		
Salaries and Other Benefits	344,669	341,552
Travelling	71,984	108,160
Legal, License and Professional Charges	33,510	42,910
Communication Expenses	10,465	12,087
Office expenses	6,582	76,738
Bank Charges	4,222	2,294
Other Expenses	35	4,155
Bad Debts	Nil	510,816
Visa charges	Nil	6,225
	<u>471,467</u>	<u>1,104,937</u>



Intense Technologies (FZE)
Hamriyah Free Zone Authority, Sharjah, UAE
Notes to the Financial Statements (continued...)
For the year ended March 31, 2020

14. Financial Risk Factors

(i) Credit Risk

Financial assets, which potentially subject the establishment to credit risk, comprises mainly of bank balances and receivables. Bank balances are with regulated financial institutions. Management is of the opinion that receivables are fully recoverable after considering provision.

(ii) Interest Rate Risk

The establishment has not availed any loans from banks or any other financial institutions during the financial year.

(iii) Exchange Rate Risk

There were no significant exchange rate risks as all of the financial assets and liabilities are denominated in UAE Dirhams.

15. Contingent Liability

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on establishment's accounts as of date of statement of financial position.

16. Significant events after the date of statement of financial position

There were no significant events occurring after the date of statement of financial position which require disclosure in the financial statements.

The accompanying notes 1 to 16 form an integral part of these financial statements.

The Report of the Auditors is set out on pages 3 & 4.

These financial statements on pages 5 to 14 were approved by the Manager on May 26, 2020 and signed by:

For Intense Technologies (FZE)


Authorized Signatory

