Jindal Saw Middle East FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

Auditor's report and separate financial statements
For the year ended March 31, 2022

Jindal Saw Middle East FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

Table of contents

	Pages
Independent auditor's report	1 - 3
Separate statement of financial position	4
Separate statement of profit or loss and other comprehensive income	5
Separate statement of changes in equity	6
Separate statement of cash flows	7
Notes to the separate financial statements	8 - 25

UHY James
Chartered Accountants

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Independent auditor's report

To,

The Shareholder
M/s. Jindal Saw Middle East FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

Report on the audit of the separate financial statements

Opinion

We have audited the accompanying separate financial statements of **M/s. Jindal Saw Middle East FZE** (the "Entity") which comprise the separate statement of financial position as at March 31, 2022 and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity, separate statement of cash flows for the year then ended and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 separate financial statements section of our report. We are independent of the Entity in accordance with the requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants (IESBA) together with ethical requirements that are relevant to our audit of the separate financial statements 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 for the separate financial statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards (IFRSs), in compliance with the requirements of applicable laws and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing the Entity's financial reporting process.

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Independent auditor's report to the shareholder of Jindal Saw Middle East FZE (continued)

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate 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 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 separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate 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 Entity'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 Entity'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 separate 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

As required by the Rules and Regulations framed pursuant to Emiri Decree No. 6 of 1987 issued in Fujairah in respect of the creation of Free Zone, amended by Emiri Decree No. 1 for the year 1992, we further confirm that,

1 We have obtained all the information and explanations which we consider necessary for our audit.

2 The separate financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Rules and Regulations framed pursuant to Emiri Decree No. 6 of 1987 issued in Fujairah in respect of the creation of Free Zone, amended by Emiri Decree No. 1 for the year 1992 and the Articles of Incorporation of the Entity.

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Independent auditor's report to the shareholder of Jindal Saw Middle East FZE (continued)

Report on other legal and regulatory requirements (continued)

3 Proper books of accounts have been maintained by the Entity.

4 Investments in shares and stocks are included in note 6 to the separate financial statements and include purchases and investments made by the Entity during the year ended March 31, 2022.

5 Note 15 to the separate financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted.

6 Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Entity has contravened, during the financial year ended, any of the applicable provisions of the Rules and Regulations framed pursuant to Emiri Decree No. 6 of 1987 issued in Fujairah in respect of the creation of Free Zone, amended by Emiri Decree No. 1 for the year 1992 or the Articles of Incorporation of the Entity, which would materially affect its activities or its financial position as at March 31, 2022.

For UHY James Chartered Accountants

P.O.Box: 118863
DUBAI - U.A.E.
UHY JAMES CHARTERED ACCOUNTANTS

James Mathew FCA, CPA
Managing Partner
Reg. No. 548
April 29, 2022
Dubai - United Arab Emirates

Jindal Saw Middle East FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

Separate statement of financial position as at March 31, 2022
(In Arab Emirates Dirham)

	Notes	2022	2021
Assets			
Non-current assets			
Property, plant and equipment	5	**198,153,452**	215,014,153
Investment in a subsidiary	6	**459,088,125**	348,674,056
Total non-current assets		**657,241,577**	563,688,209
Current assets			
Inventories	7	**27,164**	11,125
Prepayments, deposits and other receivables	8	**911,238**	2,321,891
Cash and bank balances	9	**299,254**	192,573
Total current assets		**1,237,656**	2,525,589
Total assets		**658,479,233**	566,213,798
Equity and liabilities			
Equity			
Share capital	10	**66,000,000**	66,000,000
Accumulated (losses)	11	**(50,941,381)**	(52,251,968)
Shareholder's current account	12	**32,435,877**	32,435,877
Total equity		**47,494,496**	46,183,909
Non-current liabilities			
Bank borrowings - non-current portion	13	**24,238,500**	68,675,750
Long term loan from related parties	15	**269,151,992**	269,151,992
Total non-current liabilities		**293,390,492**	337,827,742
Current liabilities			
Bank borrowings - current portion	13	**305,553,602**	171,536,913
Accounts and other payables	14	**10,317,907**	10,343,647
Due to a related party	15	**1,722,736**	321,587
Total current liabilities		**317,594,245**	182,202,147
Total liabilities		**610,984,737**	520,029,889
Total equity and liabilities		**658,479,233**	566,213,798

The accompanying notes form an integral part of these separate financial statements.

The report of the auditor is set out on pages 1 to 3.

The separate financial statements on pages 4 to 25 were approved on April 29, 2022 and signed on behalf of the Entity by:

Mr. Anil Kumar Kejriwal
Director

P.O.BOX:50534
FUJAIRAH-U.A.E.
JINDAL SAW MIDDLE EAST FZE

Mr. Amit Kumar
Director

Jindal Saw Middle East FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

Separate statement of profit or loss and other comprehensive income for the year ended March 31, 2022
(In Arab Emirates Dirham)

	Notes	2022	2021
Revenue	16	**65,110,454**	-
Cost of revenue	17	**(64,472,315)**	-
Gross profit		**638,139**	-
Lease rental income - net	18	**7,486,751**	6,005,908
Other income	19	**649,829**	122,119
Administrative expenses	20	**(403,141)**	(299,814)
Finance costs	21	**(7,060,991)**	(7,754,561)
Profit/(loss) for the year		**1,310,587**	(1,926,348)
Other comprehensive income		**-**	-
Total comprehensive income/(loss) for the year		**1,310,587**	(1,926,348)

The accompanying notes form an integral part of these separate financial statements.

The report of the auditor is set out on pages 1 to 3.

Jindal Saw Middle East FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

Separate statement of changes in equity for the year ended March 31, 2022
(In Arab Emirates Dirham)

	Share capital	Accumulated (losses)	Shareholder's current account	Total equity
Balance as at March 31, 2020	66,000,000	(66,687,059)	41,452,316	40,765,257
(Loss) for the year	-	(1,926,348)	-	(1,926,348)
Net movements during the year	-	-	(9,016,439)	(9,016,439)
Share of loss absorbed	-	16,361,439	-	16,361,439
Balance as at March 31, 2021	66,000,000	(52,251,968)	32,435,877	46,183,909
Profit for the year	-	1,310,587	-	1,310,587
Balance as at March 31, 2022	66,000,000	**(50,941,381)**	32,435,877	**47,494,496**

The accompanying notes form an integral part of these separate financial statements.

The report of the auditor is set out on pages 1 to 3.

Jindal Saw Middle East FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

Separate statement of cash flows for the year ended March 31, 2022
(In Arab Emirates Dirham)

	2022	2021
Cash flows from operating activities		
Profit/(loss) for the year	**1,310,587**	(1,926,348)
Adjustments for:		
Finance costs	**4,571,733**	6,805,182
Loss on sale of property, plant and equipment	**17,992**	-
Depreciation on property, plant and equipment	**17,513,249**	18,994,092
Reversal of accounts payable	**(649,829)**	-
Operating profit before changes in operating assets and liabilities	**22,763,732**	23,872,926
(Increase)/decrease in current assets		
Inventories	**(16,039)**	(2,525)
Prepayments, deposits and other receivables	**1,410,653**	1,361,949
Increase/(decrease) in current liabilities		
Accounts and other payables	**72,102**	209,160
Due to a related party	**1,401,149**	(3,499,009)
Net cash from operating activities	**25,631,597**	21,942,501
Cash flows from investing activities		
Investment in a subsidiary	**(110,414,069)**	15,438,228
Acquisition of property, plant and equipment	**(670,540)**	-
Net cash (used in)/from investing activities	**(111,084,609)**	15,438,228
Cash flows from financing activities		
(Repayment) of term loan	**(32,318,000)**	(32,318,000)
Proceeds from bank borrowings	**121,897,439**	2,355,944
Finance cost paid	**(4,019,746)**	(7,774,554)
Net cash from/(used in) financing activities	**85,559,693**	(37,736,610)
Net increase/(decrease) in cash and cash equivalents	**106,681**	(355,881)
Cash and cash equivalents, beginning of the year	**192,573**	548,454
Cash and cash equivalents, end of the year	**299,254**	192,573
Cash and cash equivalents		
Cash in hand	**760**	760
Cash at banks	**298,494**	191,813
	299,254	192,573

The accompanying notes form an integral part of these separate financial statements.

The report of the auditor is set out on pages 1 to 3.

1 Legal status and business activities

1.1 **M/s. Jindal Saw Middle East FZE**, Fujairah Free Zone, Fujairah - United Arab Emirates (the "Entity") was registered on October 19, 2009 as a Free Zone Establishment with Limited Liability and operates in the United Arab Emirates under a commercial license issued by the Fujairah Free Zone Authority, Government of Fujairah, Fujairah - United Arab Emirates.

1.2 The Entity is licensed to provide general trading.

1.3 The registered address of the Entity is P.O. Box: 50534, Fujairah Free Zone, Fujairah - United Arab Emirates.

1.4 The management and control are vested with the Directors (all are Indian nationals).

1.5 These separate financial statements incorporate the operating results of the Commercial license no. 2641.

2 COVID-19 impact

COVID-19 has interrupted the movement of people and goods throughout the world, as well as affecting the profitability and long-term viability of many businesses. While many jurisdictions have experienced improved economic outlook in 2021-22, many jurisdictions and industries are still being affected significantly by the effects of COVID-19. This includes supply chain disruptions, changes in demand for goods and services as well as the uncertainty of future government imposed restrictions on operations.

As a result of the above, the Entity continues to assess regularly the impact of COVID-19 on its business. The evolution of the COVID-19 is changing rapidly on a daily basis. The unprecedented nature of the crisis, the lack of enough historical data, the low visibility and the high uncertainty related to its evolution, its duration and its impact on the economy in general and the business in particular, make the quantification of its impact on the business difficult to assess accurately at this stage.

3 New standards and amendments

3.1 New standards and amendments applicable as on April 01, 2021

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after April 01, 2021.

- COVID-19-related rent concessions beyond June 30, 2021 - Amendments to IFRS 16
- Interest Rate Benchmark Reform phase 2 - Amendments to IFRS 7, IFRS 9, IFRS 16 and IAS 39

The management believes that the adoption of the above amendments effective for the current accounting period has not had any material impact on the recognition, measurement, presentation and disclosure of items in the separate financial statements.

3.2 New standards and amendments issued but not effective for the current annual period.

The following standards and interpretations had been issued but not yet mandatory for annual reporting periods ending March 31, 2022.

Description	Effective for annual periods beginning on or after
Annual improvements to IFRSs - 2018-2020 cycle	April 01, 2022
Proceeds before Intended Use - Amendments to IAS 16, *Property, Plant and Equipment*	April 01, 2022
Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*	April 01, 2022
Reference to the Conceptual Framework - Amendments to IFRS 3, *Business Combinations*	April 01, 2022
IFRS 17 - *Insurance Contracts*	April 01, 2023
Amendments to IFRS 4 for Extension of the Temporary Exemption from Applying IFRS 9	April 01, 2023

3 New standards and amendments (continued)

3.2 New standards and amendments issued but not effective for the current annual period (continued)

Description	Effective for annual periods beginning on or after
Classification of Liabilities as Current or Non-Current - Amendments to IAS 1, *Presentation of Financial Statements*	April 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1, *Presentation of Financial Statements and IFRS Practice Statement 2*	April 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8, *Accounting policies, Changes in Accounting Estimates and Errors*	April 01, 2023
Deferred Tax related to Assets and Liabilities arising from Single Transaction - Amendments to IAS 12, *Income Taxes*	April 01, 2023

Management anticipates that these new standards, interpretations and amendments will be adopted in the separate financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the separate financial statements in the period of initial application.

4 Significant accounting policies

4.1 Statement of compliance

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board (IASB) and applicable U.A.E. laws. These separate financial statements are presented in United Arab Emirates Dirham (AED) which is the Entity's functional and presentation currency.

4.2 Basis of preparation

The separate financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

These separate financial statements are prepared in accordance with IAS 27 "Separate Financial Statements". The Entity also prepares consolidated financial statements in accordance with IFRS 10 "Consolidated Financial Statements".

The principal accounting policies applied in these separate financial statements are set out below.

4.3 Current/Non-current classification

The Entity presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

Expected to be realised or intended to be sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Entity classifies all other liabilities as non-current.

4 Significant accounting policies (continued)

4.4 Foreign currency

The transactions in currencies other than the Entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

4.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to profit or loss during the financial period in which they are incurred.

Depreciation is spread over its useful lives so as to write off the cost of property, plant and equipment using the straight-line method over its useful lives as follows:

	Years
Building and improvements	20
Plant and machinery	20
Tools and equipment	10 - 20
Moulds	Usage basis
Electrical installations	20

When part of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The building and improvements are being depreciated over the period from when it became available for use up to the end of the lease term.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

4.6 Leases

The Entity assesses at the inception of a contract, whether the contract is or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Entity assesses whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Entity.
- the Entity has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.

4 Significant accounting policies (continued)

4.6 Leases (continued)

- the Entity has the right to direct the use of the identified asset throughout the period of use. The Entity assesses whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

4.6.1 Entity as lessee

The Entity applies a single recognition and measurement approach for all leases whereby right-of-use assets and lease liabilities are recognized except for the short-term leases and leases of low-value assets.

Short-term leases and leases of low-value assets

The Entity elects not to recognize right-of-use assets and lease liability for short term lease contracts (i.e. lease period less than or equal to 12 months from the date of commencement) and for low value assets. The Entity recognises payments associated with these leases as an expense on a straight-line basis over the lease term.

4.6.2 Entity as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Entity's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Entity's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease when all the risks and rewards incidental to the ownership of the underlying asset are not transferred to the lessee. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

4.7 Impairment of tangible assets

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit or loss.

4 Significant accounting policies (continued)

4.8 Investments in a subsidiary

The investments in a subsidiary is accounted for using cost method as suggested by IAS 27 "Separate Financial Statements". The Entity also prepares consolidated financial statements in accordance with IFRS 10 "Consolidated Financial Statements".

4.9 Financial instruments

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instrument.

4.10 Financial assets

Classification

The Entity classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI "FVTOCI", or through profit or loss "FVTPL"), and

- those to be measured at amortised cost.

The classification depends on the Entity's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets comprise of cash and cash equivalents, receivables and other financial assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Receivables

Receivable balances that are held to collect are subsequently measured at the lower of amortized cost or the present value of estimated future cash flows. The present value of estimated future cash flows is determined through the use of value adjustments for uncollectible amounts. The Entity assesses on a forward-looking basis the expected credit losses associated with its receivables and adjusts the value to the expected collectible amounts.

Receivables are written off when they are deemed uncollectible because of bankruptcy or other forms of receivership of the debtors. The assessment of expected credit losses on receivables takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region and other forward-looking information.

Impairment of financial assets

For other receivables, the Entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

4 Significant accounting policies (continued)

4.10 Financial assets (continued)

Derecognition of financial assets

The Entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset.

4.11 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Entity's financial liabilities include accounts and other payables, loans and borrowings including bank overdrafts, due to and loans from related parties.

Accounts and other payables

Accounts payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Due to/loan from related parties

Amounts due to/loan from related parties are stated at amortised cost.

Loans and other borrowings

Loans and other borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted on accrual basis and are added to the carrying value of the instruments to the extent that they are not settled in the period in which they arise.

Derecognition of financial liabilities

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the separate statement of profit or loss.

4.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Cost of inventories comprises of costs of purchase, and where applicable cost of conversion and other costs that has been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4 Significant accounting policies (continued)

4.14 Provisions

Provisions are recognised when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4.15 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Entity expects to be entitled in exchange for those goods or services.

Sale of goods

Revenue from the sale of goods in normal course of business is recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised goods or services to the customer.

The consideration expected by the Entity may include fixed or variable amounts which can be impacted by sales returns, trade discounts and volume rebates. Revenue for the sale of goods is recognized when control of the asset is transferred to the buyer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods or services are accounted for separately based on their stand-alone selling prices. Revenue is recorded net of value added tax (VAT) and custom duty. A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For products for which a right of return exists during a defined period, revenue recognition is determined based on the historical pattern of actual returns, or in cases where such information is not available, revenue recognition is postponed until the return period has lapsed.

4.16 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and 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 the revision and future periods if the revision affects both current and future periods.

4 Significant accounting policies (continued)

4.16 Critical accounting judgements and key sources of estimation uncertainty (continued)

The significant judgements and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Critical judgements in applying accounting policies

In the process of applying the Entity's accounting policies, which are described above, and due to the nature of operations, management makes the following judgement that has the most significant effect on the amounts recognised in the separate financial statements.

Determining the timing of satisfaction of performance obligations - revenue recognition

In making their judgement, the Entity considers the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Entity has transferred control of the services to the customer. The management is satisfied that control has been transferred and that recognition of revenue in the current year is appropriate.

Business model assessment - classification and measurement of separate financial statements

Classification and measurement of financial assets depends on the results of business model test. The Entity determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over their estimated useful lives, which are based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Leasehold improvements

Management determines the estimated useful life and related depreciation charges for its leasehold improvements. This estimate is based on an assumption that the Entity will renew its annual lease over the estimated useful life of the asset. It could change significantly should the annual lease not be renewed. Management will increase the depreciation charge where the useful life is less than the previously estimated useful life.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the relevant notes to the separate financial statements.

5 Property, plant and equipment

	Building and improvements	Plant and machinery	Tools and equipment	Moulds	Electrical installations	Capital work-in-progress	Total
Cost							
As at March 31, 2020	38,114,845	231,425,976	15,241,454	15,647,468	66,284,338	12,127	366,726,208
Transferred from capital work-in-progress	-	12,127	-	-	-	(12,127)	-
Disposal during the year	-	-	-	(4,255,719)	-	-	(4,255,719)
As at March 31, 2021	38,114,845	231,438,103	15,241,454	11,391,749	66,284,338	-	362,470,489
Additions during the year	-	670,540	-	-	-	-	670,540
Disposal during the year	-	-	-	(54 522)	-	-	(54 522)
As at March 31, 2022	**38,114,845**	**232,108,643**	**15,241,454**	**11,337,227**	**66,284,338**	**-**	**363,086,507**
Accumulated depreciation							
As at March 31, 2020	13,503,615	78,233,483	7,723,458	9,971,027	23,286,380	-	132,717,963
Charge for the year	1,905,742	11,681,193	1,010,390	1,082,550	3,314,217	-	18,994,092
Eliminated on disposal during the year	-	-	-	(4,255,719)	-	-	(4,255,719)
As at March 31, 2021	15,409,357	89,914,676	8,733,848	6,797,858	26,600,597	-	147,456,336
Charge for the year	1,905,742	11,669,459	546,292	77,540	3,314,216	-	17,513,249
Eliminated on disposal during the year	-	-	-	(36,530)	-	-	(36 530)
As at March 31, 2022	**17,315,099**	**101,584,135**	**9,280,140**	**6,838,868**	**29,914,813**	**-**	**164,933,055**
Carrying value as at March 31, 2022	**20,799,746**	**130,524,508**	**5,961,314**	**4,498,359**	**36,369,525**	**-**	**198,153,452**
Carrying value as at March 31, 2021	22,705,488	141,523,427	6,507,606	4,593,891	39,683,741	-	215,014,153

Notes

- Building and improvements represent a factory constructed on Plot no 11 NR 28, Industrial City of Abu Dhabi III, Abu Dhabi - United Arab Emirates The said plot is obtained on lease by a related party, M/s Jindal Saw Gulf (L.L.C.), Abu Dhabi - United Arab Emirates from Higher Corporation for Specialised Economic Zones (Corp Zone), Abu Dhabi - United Arab Emirates The leasehold rights have been assigned against the bank credit facilities (note 13).
- The above property, plant and equipment are leased by the Entity to a related party, M/s Jindal Saw Gulf (L.L.C.), Abu Dhabi - United Arab Emirates (note 18)
- Property, plant and equipment are mortgaged to banks against credit facilities (note 13)
- Depreciation AED 17,513,249 (2021 AED 18,994,092) is charged to lease rental income (note 18)

6 Investment in a subsidiary	Proportion of ownership interest		Proportion of voting power	2022	2021
	2022	2021	2021		
M/s. Jindal Saw Gulf (L.L.C.), Abu Dhabi - U.A.E.					
- Investment in share capital	**49%**	49%	100%	**147,000**	147,000
- Additional investment				**458,941,125**	348,527,056
				459,088,125	348,674,056

Investment in a subsidiary represents 49% equity interest (147 shares of AED 1,000 each) and an additional long term investment in capital employed in M/s. Jindal Saw Gulf (L.L.C.), Abu Dhabi - U.A.E. The principal activities of the subsidiary consist of manufacturing all types of steel pipes and related accessories and pipelines and metal coating and non-metallic coating.

Though the Entity holds 49% equity interest, it has power to govern the investee as remaining 51% shares are held by a local sponsor for and on behalf of the Entity and thus it is considered as a 100% subsidiary.

The investment in a subsidiary has been separately accounted at cost in these separate financial statements which are prepared in accordance with IAS 27 "Separate Financial Statements". The Entity also prepares consolidated financial statements in accordance with IFRS 10 "Consolidated Financial Statements".

	2022	2021
7 Inventories		
Stores and spares	**27,164**	11,125
8 Prepayments, deposits and other receivables		
Prepayments	**244,398**	416,792
Margin deposit *	**653,291**	1,792,727
Other deposits	**5,000**	5,000
VAT receivables - net	**8,549**	107,372
	911,238	2,321,891

* Margin deposit is given on behalf of a related party to a bank for issuance of performance guarantee (note 25).

9 Cash and bank balances		
Cash in hand	**760**	760
Cash at banks	**298,494**	191,813
	299,254	192,573

Management has concluded that the Expected Credit Loss (ECL) for all bank balances is immaterial as these balances are held with banks/financial institutions whose credit risk rating by international rating agencies has been assessed as low.

10 Share capital

Authorised, issued and paid up capital of the Entity is AED 66,000,000 divided into 1,000 fully paid up shares of AED 66,000 each.

10 Share capital (continued)

The details of the shareholding as at the reporting date are as follows:

Name of shareholder	Domicile	Percentage	No. of shares	2022	2021
M/s. Jindal Saw Holdings FZE *(Represented Mr. Anil Kumar Kejriwal)*	U.A.E.	100	1,000	**66,000,000**	66,000,000

The shares have been pledged against the bank credit facilities (note 13).

M/s. Jindal Saw Limited - India is the ultimate beneficial shareholder of the Entity.

		2022	2021
11	**Accumulated (losses)**		
	Balance at the beginning of the year	**(52,251,968)**	(66,687,059)
	Profit/(loss) for the year	**1,310,587**	(1,926,348)
	Share of loss absorbed	**-**	16,361,439
	Balance at the end of the year	**(50,941,381)**	(52,251,968)
12	**Shareholder's current account**		
	Balance at the beginning of the year	**32,435,877**	41,452,316
	Net movements during the year	**-**	(9,016,439)
	Balance at the end of the year	**32,435,877**	32,435,877

The above account is subordinated against facilities granted by the banks (note 13).

13 Bank borrowings

a) Due to banks

	2022	2021
Bank overdrafts	**1,187,080**	13,032,473
Short term loans *	**36,725,000**	45,906,250
Trust receipts	**223,204,272**	80,280,190
	261,116,352	139,218,913

* The above short term loans were obtained to part finance the working capital requirements and are repayable within twelve months. Short term loans include AED 36,725,000 (2021: AED 36,725,000) which is secured against guarantee of a related party.

b) Term loan	2022	2021
Balance at the beginning of the year	**100,993,750**	133,311,750
Paid during the year	**(32,318,000)**	(32,318,000)
Balance at the end of the year	**68,675,750**	100,993,750
Comprising:		
Current portion	**44,437,250**	32,318,000
Non-current portion	**24,238,500**	68,675,750
	68,675,750	100,993,750

The term loan carries interest @ LIBOR + 3.25% per annum and is repayable in 9 unequal semi annual installments, commenced from May 15, 2019.

13 Bank borrowings (continued):

Bank borrowings are secured by:

i) Corporate guarantees from M/s. Jindal Saw Limited - India, M/s. Jindal Saw Gulf (L.L.C.), Abu Dhabi - U.A.E. and related parties.

ii) Commercial mortgage over assets of the Entity and M/s. Jindal Saw Gulf (L.L.C.), Abu Dhabi - U.A.E. (note 5).

iii) Pledge over 49% equity interest in M/s. Jindal Saw Gulf (L.L.C.), Abu Dhabi - U.A.E. held by the Entity.

iv) Pledge over 100% equity shares of the Entity held by M/s. Jindal Saw Holdings FZE, Fujairah - United Arab Emirates. As on the reporting date, the legalisation process for pledging of additional 25% equity shares of the Entity held by M/s. Jindal Saw Holdings FZE, Fujairah - United Arab Emirates is in progress (note 10).

v) Assignment of leasehold rights of Jindal Saw Gulf (L.L.C.), Abu Dhabi - U.A.E. (note 5).

vi) Assignment of all insurance policies of the Entity and M/s. Jindal Saw Gulf (L.L.C.), Abu Dhabi - U.A.E.

vii) Assignment of receivables and charge over inventories of the Entity.

viii) Subordination of shareholder's loan and current account (notes 12 and 15).

ix) Undertaking letter from Nacho Investment Mauritius, where Nacho Investments undertakes to remedy any shortfall in debt servicing of the facility.

x) Subordination of loan from related party, M/s. International Investments Limited FZC, Fujairah - U.A.E. (note 15).

		2022	2021
Bank borrowings - short term liabilities			
Due to banks	(refer a)	**261,116,352**	139,218,913
Term loan	(refer b)	**44,437,250**	32,318,000
		305,553,602	171,536,913
Bank borrowings - long term liabilities			
Term loan	(refer b)	**24,238,500**	68,675,750
Total bank borrowings	(a + b)	**329,792,102**	240,212,663

14 Accounts and other payables

	2022	2021
Accounts payable	**9,182,850**	9,765,577
Provisions and accruals	**1,135,057**	578,070
	10,317,907	10,343,647

15 Related party transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, *Related Party Disclosures* Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges, if applicable.

a) **Due to a related party**	2022	2021
Ultimate Parent		
M/s. Jindal Saw Limited - India	**1,722,736**	321,587

15 Related party transactions (continued)

b) Long term loan from related parties	2022	2021
Shareholder		
M/s. Jindal Saw Holdings FZE, Fujairah - U.A.E.*	**94,701,099**	94,701,099
Entity under common management and control		
M/s. International Investments Limited FZC, Fujairah - U.A.E. **	**174,450,893**	174,450,893
	269,151,992	269,151,992

* The above loan is unsecured and was obtained to meet working capital requirements, is interest free, without any fixed repayment schedule, not deemed to repayable within next 12 months and is subordinated against credit facilities (note 13).

** The above loan is interest free, without fixed repayment terms, not repayable within next 12 months and is subordinated against credit facilities (note 13).

c) Transactions with related parties

The nature of significant related party transactions and the amounts involved were as follows:

	For the year ended March 31,	
	2022	2021
Interest charged by a related party (note 21):		
M/s. Jindal Saw Limited - India	**1,401,149**	1,329,836
Sales (note 16):		
M/s. Jindal Saw Gulf L.L.C., Abu Dhabi - U.A.E.	**65,110,454**	-
Rental income (note 18):		
M/s. Jindal Saw Gulf L.L.C., Abu Dhabi - U.A.E.	**25,000,000**	25,000,000
Salaries recharged by a related party (note 20):*		
M/s. Jindal Saw Gulf L.L.C., Abu Dhabi - U.A.E.	**120,000**	-
*Interest charges recovered from a related party** (note 21):*		
M/s. Jindal Saw Gulf L.L.C., Abu Dhabi - U.A.E.	**5,835,170**	5,672,983

* Represents salaries and related benefits recharged by related party, M/s. Jindal Saw Gulf L.L.C., Abu Dhabi - U.A.E. for the provision of administrative services.

** Represents reimbursement of interest from related party, M/s. Jindal Saw Gulf L.L.C., Abu Dhabi - U.A.E. for the utilisation of facilities.

	For the year ended March 31,	
16 Revenue	**2022**	2021
Revenue from contracts with customers	**65,110,454**	-

16.1 Disaggregated revenue information

Set out below is the disaggregation of the Entity's revenue from contracts with customers.

<u>**Segments**</u>		
Type of services		
Sale of pig iron	**65,110,454**	-
Total revenue from contracts with customers	**65,110,454**	-
Geographical markets		
Within U.A.E.	**65,110,454**	-
Total revenue from contracts with customers	**65,110,454**	-

		For the year ended March 31,	
16	**Revenue (continued)**	**2022**	2021
	16.1 Disaggregated revenue information (continued)		
	Timing of revenue recognition		
	Goods transferred at a point in time	**65,110,454**	-
	Total revenue from contracts with customers	**65,110,454**	-

16.2 Performance obligations

Information about the Entity's performance obligations are summarised below:

Sale of pig iron

The performance obligation is satisfied on delivery of pig iron in case of sales within U.A.E.

		For the year ended March 31,	
17	**Cost of revenue**	**2022**	2021
	Purchase of pig iron	**64,472,315**	-
18	**Lease rental income - net**		
	Lease rental income* (note 15)	**25,000,000**	25,000,000
	Less: Depreciation on property, plant and equipment (note 5)	**(17,513,249)**	(18,994,092)
		7,486,751	6,005,908

* The above lease rental is charged to a related party, M/s. Jindal Saw Gulf L.L.C., Abu Dhabi - U.A.E. for lease of property, plant and equipment (note 5).

19	**Other income**		
	Foreign exchange gain - net	-	122,119
	Reversal of accounts payable	**649,829**	-
		649,829	122,119
20	**Administrative expenses**		
	Rent	**19,000**	19,000
	Legal and professional expenses	**201,271**	280,814
	Salaries recharged by a related party (note 15)	**120,000**	-
	Foreign exchange loss - net	**44,878**	-
	Loss on sale of property, plant and equipment	**17,992**	-
		403,141	299,814
21	**Finance costs**		
	Interest on term loans*	**3,170,584**	5,475,346
	Interest charged by a related party # (note 15)	**1,401,149**	1,329,836
	Bank and finance charges	**2,489,258**	949,379
		7,060,991	7,754,561

* The above interest on term loans is stated net of AED 5,835,170 (2021: AED 5,672,983) being interest recovered from M/s. Jindal Saw Gulf L.L.C. for the use of working capital facilities (note 15).

\# The above represents AED 1,401,149 (2021: AED 1,329,836) being interest charged by a related party (Ultimate parent) for providing corporate guarantee against credit facilities (note 15).

22 Financial instruments

a) *Significant accounting policies*

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 4 to the separate financial statements.

b) *Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis.*

	As at March 31,		As at March **31,**	
	2022	2021	2022	2021
Financial assets	**Carrying amount**		Fair value	
Deposits and other receivables	**666,840**	1,905,099	666,840	1,905,099
Cash and bank balances	**299,254**	192,573	299,254	192,573
	966,094	2,097,672	966,094	2,097,672
Financial liabilities				
Bank borrowings	**329,792,102**	240,212,663	329,792,102	240,212,663
Accounts and other payables	**10,317,907**	10,343,647	10,317,907	10,343,647
Due to a related party	**1,722,736**	321,587	1,722,736	321,587
Long term loan from related parties	**269,151,992**	269,151,992	269,151,992	269,151,992
	610,984,737	520,029,889	610,984,737	520,029,889

Financial instruments comprise of financial assets and financial liabilities.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

Financial assets consist of cash and bank balances and deposits and other receivables. Financial liabilities consist of accounts and other payables, bank borrowings, due to a related party and long term loan from related parties.

As at the reporting date, financial assets and financial liabilities approximate their carrying values.

23 Financial risk management objectives

The Entity management set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Entity's policy guidelines are complied with.

There has been no change to the Entity's exposure to these financial risks or the manner in which it manages and measures the risk.

The Entity is exposed to the following risks related to financial instruments. The Entity has not framed formal risk management policies, however, the risks are monitored by management on a continuous basis. The Entity does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

a) *Foreign currency risk management*

The Entity undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

23 Financial risk management objectives (continued)

a) *Foreign currency risk management (continued)*

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

b) *Interest rate risk management*

The Entity's exposure to the risk of changes in market interest rates relates primarily to the Entity's borrowings with floating interest rates. The Entity's policy is to manage its interest cost using a mix of fixed and variable rate debts. Interest on financial instruments having floating rates is re-priced at intervals of less than one year and interest on financial instruments having fixed rate is fixed until the maturity of the instrument.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used for reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If interest rates had been 50 basis points higher/(lower) and all other variables were held constant, the Entity's financial result for the year then ended would (decrease)/increase by AED 1,648,961 (2021: (decrease)/increase by AED 1,201,063).

c) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Entity has access to interest free loans from its shareholder at its disposal to further reduce liquidity risk.

Liquidity and interest risk table:

The table below summarizes the maturity profile of the Entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements were shown as follows:

	Interest bearing			Non-Interest bearing			
Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	**Total**
				As at March 31, 2022			
Financial assets							
Deposits and other receivables	-	-	-	-	666,840	-	666,840
Cash and bank balances	-	-	-	299,254	-	-	299,254
	-	-	-	299,254	666,840	-	966,094

23 Financial risk management objectives (continued)

c) *Liquidity risk management (continued)*

Liquidity and interest risk table (continued)

	Interest bearing			Non-Interest bearing			
Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	Total
				As at March 31, 2022			
Financial liabilities							
Bank borrowings	1,187,080	304,366,522	24,238,500	-	-	-	329,792,102
Accounts and other payables	-	-	-	-	10,317,907	-	10,317,907
Due to a related party	-	-	-	-	1,722,736	-	1,722,736
Long term loan from related parties	-	-	-	-	-	269,151,992	269,151,992
	1,187,080	304,366,522	24,238,500	-	12,040,643	269,151,992	610,984,737
				As at March 31, 2021			
Financial assets							
Deposits and other receivables	-	-	-	-	1,905,099	-	1,905,099
Cash and bank balances	-	-	-	192,573	-	-	192,573
	-	-	-	192,573	1,905,099	-	2,097,672
Financial liabilities							
Bank borrowings	13,032,473	158,504,440	68,675,750	-	-	-	240,212,663
Accounts and other payables	-	-	-	-	10,343,647	-	10,343,647
Due to a related party	-	-	-	-	321,587	-	321,587
Long term loan from related parties	-	-	-	-	-	269,151,992	269,151,992
	13,032,473	158,504,440	68,675,750	-	10,665,234	269,151,992	520,029,889

d) *Credit risk management*

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly.

Ongoing credit evaluation is performed on the financial condition of other receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the separate financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

24 Capital risk management

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the equity balance. The Entity's overall strategy remains unchanged from prior year. The Entity is not subject to any externally imposed capital requirements.

The capital structure of the Entity consists of cash and cash equivalents and equity comprising issued capital, accumulated (losses) and shareholder's current account as disclosed in the separate financial statements.

25 Contingent liabilities

	As at March 31,	
	2022	2021
Letters of guarantee*	**21,048,759**	10,358,381
Letters of credit	**22,714,581**	92,533,582

* The above includes AED 826,390 (2021: AED 3,585,454) being guarantees provided on behalf of a related party.

Except for the above and ongoing business obligations which are under normal course of business, there has been no other known contingent liability on Entity's separate financial statements as of reporting date.

26 Commitments

Except for 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 commitment on Entity's separate financial statements as of reporting date.

27 Reclassification

Certain amounts for the prior year were reclassified to conform to current year's presentation. However, such reclassifications do not have any impact on the Entity's previously reported financial result or equity.