Jindal Saw Gulf L.L.C.
Abu Dhabi - United Arab Emirates

Auditor's Report and Financial Statements
For the year ended March 31, 2023

Jindal Saw Gulf L.L.C.
Abu Dhabi - United Arab Emirates

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UHY
James

Jindal Saw Gulf L.L.C.

Abu Dhabi - United Arab Emirates

Directors' Report

Dear stakeholders,

The average price/MT has increased due to rising prices of pig iron on account of the war between Russia and Ukraine. Russia and Ukraine supplied 2/3rd of the total pig iron. Furthermore, due to an increase of outside U.A.E. sales in the current financial year (86%) viz-a-viz the previous financial year (65%), the average price/MT has increased as there is a component of freight cost in the selling price. However, sales within U.A.E. reduced drastically by 64% due to which it has achieved revenue of AED 795 million and closed profit and loss account with net profit of AED 12 million.

We are presenting this report and the audited financial statements for the year ended March 31, 2023.

Principal activities of the Entity:

The Entity is licensed to manufacture all types of cast iron tubes, pipes, hollow profiles & fittings and metal and non-metallic coating of metals.

Financial review:

The table below summarises the results denoted in Arab Emirates Dirham (AED).

	2023	2022
Revenue	**794,299,563**	866,013,722
Gross profit	**180,161,648**	146,990,757
Gross profit margin	**23%**	17%
Profit for the year	**10,586,945**	18,769,629

Role of the Directors:

The Directors are the Entity's principal decision-making forum. The Directors have the overall responsibility for leading and supervising the Entity for delivering sustainable shareholder value through their guidance and supervision of the Entity's business. The Directors set the strategies and policies of the Entity. They monitor performance of the Entity's business, guide and supervise its management.

Events after year end:

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

Auditor:

M/s. UHY James Chartered Accountants, Dubai - United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

Statement of Management and Directors' responsibilities:

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

Statement of Management and Directors' responsibilities (continued):

The audited financial statements for the year under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables them to ensure that the financial statements comply with the requirements of applicable statute. So far as the Directors are aware, there is no relevant audit information of which the auditor is unaware, and the Directors have taken all the steps in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably present the Entity's financial conditions and results of its operations.

We wish to acknowledge the support rendered by all the stakeholders including government authorities, bank and financial institutions, client and customers, suppliers and vendors and many others whose support has been vital. We are confident that their good wishes and support would continue in future as well.

These financial statements were approved by the Board and signed on behalf by the authorised representatives of the Entity.

Mr. Anil Kumar Kejriwal
Director
April 24, 2023

Mr. Mohamed Faiz Wase
Director

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JINDAL SAW GULF L.L.C.

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UHY James
Chartered Accountants

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Ref: JM/AR/2023/23147

Independent Auditor's Report

To,

The Shareholders
M/s. Jindal Saw Gulf L.L.C.
Abu Dhabi - United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **M/s. Jindal Saw Gulf L.L.C.** (the "Entity") which comprise the statement of financial position as at March 31, 2023 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2023 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 Financial Statements* section of our report. We are independent of the Entity in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), issued by International Ethics Standards Board for Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IEASB Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard (IFRSs) and their preparation in compliance with the applicable provisions of the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

Those Charged with Governance are responsible for overseeing the Entity's financial reporting process.

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Independent Auditor's Report to the Shareholders of Jindal Saw Gulf L.L.C. (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 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 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 Those Charged with Governance 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

Further, as required by the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, we confirm that,

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

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Independent Auditor's Report to the Shareholders of Jindal Saw Gulf L.L.C. (continued)

Report on Other Legal and Regulatory Requirements (continued)

2 The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies and the Memorandum of Association of the Entity.

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

4 The financial information included in the Directors' Report is consistent with the books of account of the Entity;

5 The Entity has not made any investments in shares and stocks during the year ended March 31, 2023.

6 Note 9 to the financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted.

7 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 March 31, 2023, any of the applicable provisions of the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, or the Memorandum of Association of the Entity which would materially affect its activities or its financial position as at March 31, 2023.

For UHY James Chartered Accountants

James Mathew FCA, CPA
Managing Partner
Reg. No. 548
April 24, 2023
Dubai - United Arab Emirates

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Jindal Saw Gulf L.L.C.
Abu Dhabi - United Arab Emirates

Statement of financial position as at March 31, 2023
(In Arab Emirates Dirham)

	Notes	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	5	**117,692,794**	88,007,795
Right-of-use assets	6	**97,566,860**	122,810,508
Intangible assets	7	**22,771**	207,588
Total non-current assets		**215,282,425**	211,025,891
Current assets			
Inventories	8	**238,876,295**	229,360,701
Due from related parties	9	**33,270,256**	27,445,728
Trade receivables	10	**90,815,181**	132,247,532
Advances, deposits and other receivables	11	**12,453,240**	56,512,133
Cash and bank balances	12	**874,721**	515,659
Total current assets		**376,289,693**	446,081,753
Total assets		**591,572,118**	657,107,644
Equity and liabilities			
Equity			
Share capital	13	**300,000**	300,000
Statutory reserve	14	**150,000**	-
Accumulated (losses)	15	**(65,745,159)**	(76,182,104)
Shareholder's current account	16	**453,051,766**	458,941,125
Total equity		**387,756,607**	383,059,021
Non-current liabilities			
Long term loans from a related party	9	**8,892,844**	20,434,542
Employees' end of service benefits	17	**5,490,883**	4,587,577
Lease liabilities	18	**80,613,396**	106,560,745
Total non-current liabilities		**94,997,123**	131,582,864
Current liabilities			
Trade and other payables	19	**58,056,423**	74,675,496
Due to related parties	9	**24,814,616**	43,237,506
Lease liabilities	18	**25,947,349**	24,552,757
Total current liabilities		**108,818,388**	142,465,759
Total liabilities		**203,815,511**	274,048,623
Total equity and liabilities		**591,572,118**	657,107,644

The accompanying notes on pages 10 to 34 form an integral part of these financial statements.

The report of the auditor is set out on pages 3 to 5.

The financial statements on pages 6 to 34 were approved on April 24, 2023 and signed on behalf of the Entity, by:

Mr. Anil Kumar Kejriwal	**Mr. Mohamed Faiz Wase**
Director	**Director**

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Abu Dhabi - United Arab Emirates

Statement of profit or loss and other comprehensive income for the year ended March 31, 2023
(In Arab Emirates Dirham)

	Notes	2023	2022
Revenue	20	**794,299,563**	866,013,722
Cost of revenue	21	**(614,137,915)**	(719,022,965)
Gross profit		**180,161,648**	146,990,757
Other income	22	**5,721,022**	2,152,210
Selling and distribution expenses	23	**(126,170,123)**	(90,845,604)
Administrative expenses	24	**(20,194,966)**	(19,111,871)
Finance costs	25	**(28,930,636)**	(20,415,863)
Profit for the year		**10,586,945**	18,769,629
Other comprehensive income		**-**	-
Total comprehensive income for the year		**10,586,945**	18,769,629

The accompanying notes on pages 10 to 34 form an integral part of these financial statements.

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For identification purpose only UHY James

Jindal Saw Gulf L.L.C.
Abu Dhabi - United Arab Emirates

Statement of changes in equity for the year ended March 31, 2023
(In Arab Emirates Dirham)

	Share capital	Statutory reserve	Accumulated (losses)	Shareholder's current account	Total equity
Balance as at April 01, 2021	300,000	-	(94,951,733)	348,527,056	253,875,323
Profit for the year	-	-	18,769,629	-	18,769,629
Net movements during the year	-	-	-	110,414,069	110,414,069
Balance as at March 31, 2022	300,000	-	(76,182,104)	458,941,125	383,059,021
Transferred to statutory reserve	-	150,000	**(150,000)**	-	-
Profit for the year	-	-	**10,586,945**	-	**10,586,945**
Net movements during the year	-	-	-	**(5,889,359)**	**(5,889,359)**
Balance as at March 31, 2023	**300,000**	**150,000**	**(65,745,159)**	**453,051,766**	**387,756,607**

The accompanying notes on pages 10 to 34 form an integral part of these financial statements.

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Jindal Saw Gulf L.L.C.
Abu Dhabi - United Arab Emirates

Statement of cash flows for the year ended March 31, 2023
(In Arab Emirates Dirham)

	2023	2022
Cash flows from operating activities		
Profit for the year	**10,586,945**	18,769,629
Adjustments for:		
Depreciation on property, plant and equipment	**11,344,508**	12,271,915
Depreciation on right-of-use assets	**25,243,648**	25,284,251
Amortisation on intangible assets	**199,465**	194,886
Loss on sale of property, plant and equipment	**214,460**	898,208
Provision for employees' end of service benefits	**1,383,955**	1,061,071
Interest expense	**23,509,794**	17,713,710
(Reversal) of provisions	**(152,686)**	(854,592)
Trade payables written back	**(279,469)**	(300,104)
Operating profit before changes in operating assets and liabilities	**72,050,620**	75,038,974
(Increase)/decrease in current assets		
Inventories	**(9,515,594)**	(75,636,222)
Trade receivables	**41,432,351**	9,017,339
Advances, deposits and other receivables	**44,058,893**	(36,078,751)
Due from related parties	**(5,824,528)**	(13,920,045)
(Decrease)/increase in current liabilities		
Trade and other payables	**(16,186,918)**	2,609,829
Due to related parties	**(18,422,890)**	7,285,670
Cash generated from/(used in) operations	**107,591,934**	(31,683,206)
Employees' end of services benefits paid	**(480,649)**	(675,635)
Interest expense paid	**(16,169,412)**	(9,101,646)
Net cash from/(used in) operating activities	**90,941,873**	(41,460,487)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	**7,000**	39,525
Acquisition of property, plant and equipment	**(41,250,967)**	(36,182,556)
Acquisition of intangible assets	**(14,648)**	(21,857)
Net cash (used in) investing activities	**(41,258,615)**	(36,164,888)
Cash flows from financing activities		
(Repayment) of bank borrowings (net)	-	(2,168,216)
(Repayment) of lease liabilities	**(31,893,139)**	(31,893,139)
(Repayment)/proceeds from long term loan from a related party	**(11,541,698)**	947,879
Shareholder's current account	**(5,889,359)**	110,414,069
Net cash (used in)/from financing activities	**(49,324,196)**	77,300,593
Net increase/(decrease) in cash and cash equivalents	**359,062**	(324,782)
Cash and cash equivalents, beginning of the year	**515,659**	840,441
Cash and cash equivalents, end of the year (note 12)	**874,721**	515,659

The accompanying notes on pages 10 to 34 form an integral part of these financial statements.
The report of the auditor is set out on pages 3 to 5.

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1 Legal status and business activities

1.1 **M/s. Jindal Saw Gulf L.L.C.,** Abu Dhabi - United Arab Emirates (the "Entity") was incorporated on August 18, 2010 as a Limited Liability Company and operates in the United Arab Emirates under Industrial license no. IN - 1002018 issued by Department of Economic Development, Industrial Development Bureau, Abu Dhabi - United Arab Emirates.

1.2 The Entity is licensed to manufacture all types of cast iron tubes, pipes, hollow profiles & fittings and metal & non-metallic coating of metals.

1.3 The registered address of the Entity is P.O. Box: 92135, Abu Dhabi - United Arab Emirates.

1.4 The management and control are vested with the Directors (3 Indian nationals and 1 U.A.E. national).

1.5 The U.A.E. Federal Law No. 32 of 2021 on Commercial Companies (the "New Companies Law") was issued on September 20, 2021 and has come into effect on January 02, 2022, to entirely replace U.A.E. Federal Law No. (2) of 2015 on Commercial Companies, as amended (the "2015 law"). The Entity has applied the requirements of the New Companies Law during the year ended 31 March 2023.

1.6 The shareholding pattern of the Entity was changed vide amendment to the Memorandum of Association notarized on June 27, 2022 (note 13).

2 Corporate Tax Law

On December 09, 2022, the U.A.E. Ministry of Finance (MoF) released Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (CT Law) to enact a new CT regime in the U.A.E. The new CT regime will become effective for the accounting periods beginning on or after June 01, 2023. As the Entity's year end is March 31, accordingly, the first tax year for the Entity will begin from April 01, 2024. The new CT Law confirms the rate of 9% to be applied to taxable income exceeding AED 375,000.

3 New standards and amendments

3.1 New standards and amendments applicable as on April 01, 2022

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after April 01, 2022.

- Reference to the Conceptual Framework - Amendments to IFRS 3
- Property Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16
- Onerous Contracts, Cost of Fulfilling a Contract - Amendments to IAS 37
- COVID-19 Related Rent Concessions beyond 30 June 2021 - Amendments to IFRS 16
- Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle
    - IFRS 1 First-time Adoption of International Financial Reporting Standards
    - IFRS 9 Financial Instruments
    - IFRS 16 Leases
    - IAS 41 Agriculture

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 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, 2023.

Description	Effective for annual periods beginning on or after
IFRS 17 - *Insurance Contracts* (Including the June 2020 and December 2021 amendments)	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
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
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*	April 01, 2023
IFRS 16 - *Leases* (Amendment - Liability in a Sale and Leaseback)	April 01, 2024
Classification of Liabilities as Current or Non-Current - Amendments to IAS 1, *Presentation of Financial Statements*	April 01, 2024
Non Current Liabilities with Covenants - Amendments to IAS 1, *Presentation of Financial Statements*	April 01, 2024

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

4 Significant accounting policies

4.1 Statement of compliance

The 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 financial statements are presented in Arab Emirates Dirhams (AED) which is the Entity's functional and presentation currency.

4.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain 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.

The principal accounting policies applied in these financial statements are set out as follows.

4.3 Current/non-current classification

The Entity presents assets and liabilities in the 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 the 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.

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4 Significant accounting policies (continued)

4.3 Current/non-current classification (continued)

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.

4.4 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 the statement of profit or loss and other comprehensive income in the period in which they arise.

4.5 Property, plant and equipment

Property, plant and equipment is 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 the statement of profit or loss and other comprehensive income 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 improvements	20
Machinery	20
Tools and equipment	5
Moulds	Usage basis
Furniture, fixtures and equipment	2 - 4
Motor vehicles	5

When part of an item of property, plant and equipment have different useful lives, they are accounted for separately.

The building improvements are being depreciated over the period from when it became available for use up to the end of the lease term or the useful life, whatever is lesser.

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 and other comprehensive income.

4 Significant accounting policies (continued)

4.5 Property, plant and equipment (continued)

Capital work-in-progress

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Entity's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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.
- 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.

Right-of-use assets

The Entity recognizes right-of-use assets at the lease commencement date i.e. the date on which the assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of assets comprise the amount of initial lease liabilities recognised adjusted with any prepayments or accruals, initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and lease payments made at or before the commencement date less any lease incentives received. In addition, the Entity also assesses the right-of-use asset for impairment when such indicators exist.

Depreciation is spread over the shorter of lease term and the estimated useful lives of the assets using straight-line method. The shorter of lease term and the estimated useful lives of the right-of-use assets have been listed below:

	Years
Land and building	2 - 21
Plant and machinery	6

Lease liabilities

At the commencement date, the Entity measures lease liabilities at present value of the lease payments that are not paid at that date. The lease payments include fixed payments less any lease incentives receivable, variable lease payments, amount expected to be paid as guaranteed residual value, the exercise price of a purchase option if the Entity is reasonably certain to exercise that option and payments of penalties for terminating the lease. The Entity uses its incremental borrowing rate if interest rate implicit in the lease is not readily determinable, to measure the present value of lease payments.

4 Significant accounting policies (continued)

4.6 Leases (continued)

4.6.1 Entity as lessee (continued)

Lease liabilities (continued)

Subsequent to initial measurement, the Entity remeasures lease by increasing the carrying amount to reflect interest on the lease liabilities and reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount is remeasured if there are modification in lease contracts or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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.

4.7 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

4.8 Impairment of tangible and intangible assets

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible and intangible 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 the statement of profit or loss and other comprehensive income.

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 the statement of profit or loss and other comprehensive income.

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 Significant accounting policies (continued)

4.9 Financial instruments (continued)

4.9.1 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 and other comprehensive income.

Financial assets comprise of cash and cash equivalents, trade receivables, due from related parties and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current account with bank.

Due from related parties

Amounts due from related parties are stated at amortised cost.

Trade receivables

Trade receivables 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 trade receivables and adjusts the value to the expected collectible amounts.

Trade 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 trade 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 trade receivables and due from related parties, the Entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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 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 Significant accounting policies (continued)

4.9 Financial instruments (continued)

4.9.2 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 trade and other payables, due to related parties and long term loans from a related party.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Due to/loans from related parties

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

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 statement of profit or loss and other comprehensive income.

4.10 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.

4.11 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.

4.12 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 Significant accounting policies (continued)

4.13 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods 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.

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.

4.14 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 is 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 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.

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 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 goods to the customer. The management is satisfied that control has been transferred and that recognition of revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision as applicable.

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4 Significant accounting policies (continued)

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

Critical judgements in applying accounting policies (continued)

Lease term - the Entity as lessee

The Entity determines lease term as the non-cancellable period of a lease together with any periods covered with an option to extend or terminate. The management applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease contract. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Entity reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate it.

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.

Net realisable value of inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its realizable value, if required, are made for estimated obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues.

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.

Incremental borrowing rate for leases

The Entity uses incremental borrowing rate to measure lease liabilities if interest rate implicit in the lease is not readily determinable. Incremental borrowing rate represents the rate of interest that Entity would have to pay on funds necessary to obtain a similar asset, on similar term, with a similar security in a similar economic environment. The management estimates incremental borrowing rate using observable inputs and Entity specific estimates.

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 financial statements.

5 Property, plant and equipment

	Building improvements	Machinery	Tools and equipment	Moulds	Furniture, fixtures and equipment	Motor vehicles	Capital work-in-progress	Total
Cost								
As at April 01, 2021	11,114,330	14,687,997	573,000	74,562,694	2,794,302	2,384,610	5,729,057	111,845,990
Addition during the year	51,351	4,769,576	-	14,877,447	197,308	220,657	16,066,217	36,182,556
Transferred from capital work-in-progress	-	304,092	-	-	-	-	(304,092)	-
Disposal during the year	-	-	-	-	-	(145,500)	-	(145,500)
Written off during the year	-	-	-	(6,569,045)	-	-	-	(6,569,045)
As at March 31, 2022	11,165,681	19,761,665	573,000	82,871,096	2,991,610	2,459,767	21,491,182	141,314,001
Addition during the year	**52,967**	**3,299,514**	-	**11,228,857**	**267,592**	**129,000**	**26,273,037**	**41,250,967**
Transferred from capital work-in-progress	**798,132**	**35,877,354**	-	-	-	-	**(36,675,486)**	-
Disposal during the year	-	-	-	**(6,866,430)**	-	-	-	**(6,866,430)**
As at March 31, 2023	**12,016,780**	**58,938,533**	**573,000**	**87,233,523**	**3,259,202**	**2,588,767**	**11,088,733**	**175,698,538**
Accumulated depreciation								
As at April 01, 2021	3,379,242	7,310,597	573,000	31,449,604	2,482,881	1,615,780	-	46,811,104
Charge for the year	556,727	2,301,089	-	9,083,730	124,047	206,322	-	12,271,915
Eliminated on disposal during the year	-	-	-	(5,631,313)	-	(145,500)	-	(5,776,813)
As at March 31, 2022	3,935,969	9,611,686	573,000	34,902,021	2,606,928	1,676,602	-	53,306,206
Charge for the year	**607,408**	**3,043,843**	-	**7,324,967**	**149,218**	**219,072**	-	**11,344,508**
Eliminated on write off during the year	-	-	-	**(6,644,970)**	-	-	-	**(6,644,970)**
As at March 31, 2023	**4,543,377**	**12,655,529**	**573,000**	**35,582,018**	**2,756,146**	**1,895,674**	-	**58,005,744**
Carrying value as at March 31, 2023	**7,473,403**	**46,283,004**	-	**51,651,505**	**503,056**	**693,093**	**11,088,733**	**117,692,794**
Carrying value as at March 31, 2022	7,229,712	10,149,979	-	47,969,075	384,682	783,165	21,491,182	88,007,795

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5 Property, plant and equipment (continued)

Notes:

- Building improvements represent office building and factory boundary wall on Plot no. 11 NR 28 leased from Abu Dhabi Ports Company PJSC located in ICAD III, Abu Dhabi - United Arab Emirates. The leasehold rights are assigned against bank credit facilities obtained in the name of a related party, M/s. Jindal Saw Middle East FZE, Fujairah - U.A.E.
- Capital work-in-progress represents costs of machinery under installation, pending capitalisation (note 30).
- Breakup of depreciation charged:

	Notes	For the year ended March 31, 2023	2022
Cost of revenue	21	**10,368,810**	11,384,819
Administrative expenses	24	**975,698**	887,096
		11,344,508	12,271,915

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6 Right-of-use assets

	Land and building	Plant and machinery	Total
Cost			
As at April 01, 2021	70,898,931	123,607,361	194,506,292
Additions during the year	4,319,377	-	4,319,377
As at March 31, 2022	75,218,308	123,607,361	198,825,669
As at March 31, 2023	**75,218,308**	**123,607,361**	**198,825,669**
Accumulated depreciation			
As at April 01, 2021	9,528,456	41,202,454	50,730,910
Charge for the year	4,683,023	20,601,228	25,284,251
As at March 31, 2022	14,211,479	61,803,682	76,015,161
Charge for the year	**4,642,421**	**20,601,227**	**25,243,648**
As at March 31, 2023	**18,853,900**	**82,404,909**	**101,258,809**
Carrying value as at March 31, 2023	**56,364,408**	**41,202,452**	**97,566,860**
Carrying value as at March 31, 2022	61,006,829	61,803,679	122,810,508

The Entity recognised the following right-of-use assets:

- Land and building represents long term leases related to the factory premises and guest house building having lease terms ranging from 2 to 21 years.
- Plant and machinery obtained on a long term lease from a related party having lease term of 6 years (note 9).
- Breakup of depreciation charged:

	Notes	For the year ended March 31, 2023	2022
Cost of revenue	21	**20,601,227**	20,601,228
Administrative expenses	24	**4,642,421**	4,683,023
		25,243,648	25,284,251

7 Intangible assets

	Total
Cost	
As at April 01, 2021	1,178,869
Additions during the year	21,857
As at March 31, 2022	1,200,726
Additions during the year	**14,648**
As at March 31, 2023	**1,215,374**
Accumulated amortisation	
As at April 01, 2021	798,252
Amortisation for the year (note 23)	194,886
As at March 31, 2022	993,138
Amortisation for the year (note 23)	**199,465**
As at March 31, 2023	**1,192,603**
Carrying value as at March 31, 2023	**22,771**
Carrying value as at March 31, 2022	207,588

7 Intangible assets (continued)

The above represents cost incurred in relation to the development of "Double Chamber Pipe" design which has been amortised over its estimated useful life of 3 to 5 years. The patent for the said design has been registered under the name "Jindal Lock". Intangible assets include software which has been amortised over its estimated useful life of 2 to 5 years.

8 Inventories	**2023**	2022
Raw materials	**156,114,916**	148,572,915
Spares and consumables	**36,527,336**	30,926,242
Work-in-progress	**16,393,571**	18,358,456
Finished goods	**29,840,472**	31,503,088
	238,876,295	229,360,701

9 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.

	2023	2022
a) Due from related parties		
Entities under common management and control		
M/s. Jindal Saw Italia SPA - Italy	**30,445,496**	23,627,472
M/s. Jindal Saw Limited - India	**2,824,760**	3,818,256
	33,270,256	27,445,728
b) Long term loans from a related party		
Entity under common management and control		
M/s. International Investments Limited FZC, Fujairah - U.A.E.	**8,892,844**	20,434,542

Long term loan from M/s. International Investments Limited FZC, Fujairah - U.A.E. consist of:

Loan I - AED 4,320,593

The loan is unsecured, interest free, without any fixed repayment schedule and is not deemed to be repayable within next 12 months.

Loan II - AED 4,572,251

The loan is unsecured, carries interest @ 6.25% p.a, without any fixed repayment schedule and is deemed to be repayable with a bullet payment by December 31, 2025.

c) Due to related parties	**2023**	2022
Entities under common management and control		
M/s. Jindal Saw Italia SPA - Italy	**6,793**	1,614,298
M/s. Jindal Saw Limited - India	**10,376,060**	29,384,342
M/s. Jindal Saw Holdings FZE, Fujairah Free Zone, Fujairah - U.A.E.	**14,431,763**	12,238,866
	24,814,616	43,237,506

9 **Related party transactions (continued)**

d) Transactions with related parties

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

	For the year ended March 31,	
	2023	2022
Interest expense (note 25):		
M/s. Jindal Saw Middle East FZE, Fujairah - U.A.E. ***	**16,072,000**	5,835,170
Sales:		
M/s. Jindal Saw Italia SPA - Italy	**28,003,498**	29,440,935
M/s. Jindal Saw Limited - India	**362,124**	5,856,603
	28,365,622	35,297,538
Lease payment (note 18 & 25):		
M/s. Jindal Saw Middle East FZE, Fujairah - U.A.E. *	**25,000,000**	25,000,000
Purchases:		
M/s. Jindal Saw Limited - India	**38,071,484**	69,621,155
M/s. Jindal Saw Italia SPA - Italy	**62,222**	809,341
M/s. Jindal Saw Middle East FZE, Fujairah - U.A.E.	**-**	65,110,454
	38,133,706	135,540,950
Expense recharged to related parties:		
M/s. Jindal Saw Middle East FZE, Fujairah - U.A.E. **	**120,000**	120,000
M/s. Jindal Saw Italia SPA - Italy	**-**	113,636
M/s. Jindal Saw Limited - India	**-**	24,570
	120,000	258,206
Expense charged by related parties:		
M/s. Jindal Saw Holdings FZE, Fujairah Free Zone, Fujairah - U.A.E. #	**4,999,982**	4,506,395
M/s. Jindal Saw Italia SPA - Italy	**-**	650,583
	4,999,982	5,156,978
Interest on loans from a related party (note 25):		
M/s. International Investments Limited FZC, Fujairah - U.A.E.	**577,553**	947,879

* The amount represents lease/rent payments to M/s. Jindal Saw Middle East FZE, Fujairah - U.A.E. for providing plant and machinery on lease.

** The amount represents expenses recharged to M/s. Jindal Saw Middle East FZE, Fujairah - U.A.E. for providing administrative services.

*** The amount represents reimbursement of interest to M/s. Jindal Saw Middle East FZE, Fujairah - U.A.E. against the utilisation of facilities.

Represents salaries and related benefits charged by a related party.

	2023	2022
10 Trade receivables		
Trade receivables: Outside U.A.E.	**84,996,293**	99,589,152
: Within U.A.E.	**9,319,411**	36,158,903
Less: Allowance for expected credit loss	**(3,500,523)**	(3,500,523)
	90,815,181	132,247,532

The credit period for the trade receivables is 30 - 180 days (2022: 30 - 180 days). Provisions are based on the estimated irrecoverable amounts determined by reference to past default experience.

Of the trade receivables as at March 31, 2023, there are 5 customers (2022: 5 customers) representing 75% (2022: 41%) of the total trade receivables.

Ageing of trade receivables that are neither past nor due:		
1 - 180 days	**76,458,827**	131,400,431
Ageing of trade receivables that are past due:		
1 -180 days	**13,020,635**	639,586
181 - 365 days	**57,350**	89,060
366 days and above	**4,778,893**	3,618,978
	94,315,704	135,748,055

Impairment of trade receivables:

The Entity applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. In determining the impairment loss on trade receivables, the Entity does not consider any changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The management has established a provision matrix that is based on its historic credit loss experience, adjusted for forward-looking information specific to the debtor and the overall economic environment.

	2023	2022
Expected credit loss rate	**3.71%**	2.58%
Estimated total gross carrying amount at default	**94,315,704**	135,748,055
Amounts not past due	**76,458,827**	131,400,431
Lifetime expected credit loss	**3,500,523**	3,500,523
Net carrying amount	**90,815,181**	132,247,532
The movements in the allowance for expected credit loss as at the reporting date is as follows:		
Balance at the end of the year	**3,500,523**	3,500,523

11 Advances, deposits and other receivables		
Prepayments	**1,534,645**	1,625,167
Guarantee deposits	**189,396**	186,785
Advances to suppliers	**7,426,007**	54,498,707
Staff loans and advances	**222,796**	166,940
VAT receivable - net	**769,036**	-
Other receivables*	**3,211,360**	934,534
Less: Impairment of other receivables	**(900,000)**	(900,000)
	12,453,240	56,512,133

* Other receivables include insurance claim receivable against business disruption caused resulting from the collapse of an insured cooling tower.

	2023	2022
12 Cash and bank balances		
Cash in hand	**69,017**	23,172
Cash at banks	**805,704**	492,487
	874,721	515,659

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.

13 Share capital

Authorised, issued and paid up capital of Entity is AED 300,000 divided into 300 shares of AED 1,000 each fully paid.

The ultimate parent of the Entity is M/s. Jindal Saw Limited (India).

During the year, vide amendment to the Memorandum of Association dated on June 27, 2022, Mr. Ali Ahmed Saleh Shujaa Alafeefi sold his shareholding representing 51% of the entire share capital (i.e 153 shares) to M/s. Jindal Saw Holdings FZE (Represented by Mr. Anil Kumar Kejriwal) dated on May 10, 2022 (note 1.6).

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

Name of shareholders	Nationality	Percentage	No. of shares	2023
M/s. Jindal Saw Holdings FZE *(Represented by Mr. Anil Kumar Kejriwal)*	U.A.E.	51	153	**153,000**
M/s. Jindal Saw Middle East FZE *(Represented by Mr. Anil Kumar Kejriwal)*	U.A.E.	49	147	**147,000**
		100	300	**300,000**

The details of the shareholding as at March 31, 2022 were as follows:

Name of shareholders	Nationality	Percentage	No. of shares	2022
Mr. Ali Ahmed Saleh Shujaa Alafeefi	U.A.E.	51	153	153,000
M/s. Jindal Saw Middle East FZE (Represented by Mr. Anil Kumar Kejriwal)	U.A.E.	49	147	147,000
		100	300	300,000

14 Statutory reserve	**2023**	2022
Transferred from accumulated (losses) (note 15)	**150,000**	-
Balance at the end of the year	**150,000**	-

According to the Memorandum of Association of the Entity and U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, 5% of annual net profits is allocated to the statutory reserve. The transfer to statutory reserve has been suspended, on reaching 50% of the paid up capital. This reserve is not available for distribution.

15 Accumulated (losses)	**2023**	2022
Balance at the beginning of the year	**(76,182,104)**	(94,951,733)
Transferred to statutory reserve (note 14)	**(150,000)**	-
Profit for the year	**10,586,945**	18,769,629
Balance at the end of the year	**(65,745,159)**	(76,182,104)

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16 Shareholder's current account	2023	2022
Balance at the beginning of the year	**458,941,125**	348,527,056
Net movements during the year	**(5,889,359)**	110,414,069
Balance at the end of the year	**453,051,766**	458,941,125

The balance in the above current account is owed to one of the shareholders, M/s. Jindal Saw Middle East FZE (represented by Mr. Anil Kumar Kejriwal).

17 Employees' end of service benefits	2023	2022
Balance at the beginning of the year	**4,587,577**	4,202,141
Add: Charge for the year	**1,383,955**	1,061,071
Less: Paid during the year	**(480,649)**	(675,635)
Balance at the end of the year	**5,490,883**	4,587,577

Amounts required to cover end of service indemnity at the statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting period.

18 Lease liabilities	2023	2022
Balance at the beginning of the year	**131,113,502**	150,075,199
Add: Interest charged during the year (note 25)	**7,340,382**	8,612,064
Add: Additions during the year	-	4,319,378
Less: Payments during the year	**(31,893,139)**	(31,893,139)
Balance at the end of the year	**106,560,745**	131,113,502

The above represents present value of lease payments for right-of-use assets (land & buildings and plant & machinery) discounted @ 3.36% - 5.83% per annum and are payable over a period of 2 to 21 years and 6 years, respectively.

Comprising:		
Current portion	**25,947,349**	24,552,757
Non-current portion	**80,613,396**	106,560,745
	106,560,745	131,113,502

Maturity profile of lease payments:

March 31, 2023	**Within 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Lease payments - undiscounted	**31,893,139**	**46,572,557**	**64,268,245**	**142,733,941**
Less: Finance charges	**(5,945,790)**	**(13,018,034)**	**(17,209,372)**	**(36,173,196)**
Net present value	**25,947,349**	**33,554,523**	**47,058,873**	**106,560,745**
March 31, 2022				
Lease payments - undiscounted	31,893,139	73,072,557	69,661,389	174,627,085
Less: Finance charges	(7,340,382)	(16,266,569)	(19,906,632)	(43,513,583)
Net present value	24,552,757	56,805,988	49,754,757	131,113,502

18 Lease liabilities (continued)

	For the year ended March 31,	
	2023	2022
Amounts recognised in statement of profit or loss:		
Interest on lease liabilities (note 25)	**7,340,382**	8,612,064
Depreciation expense (note 6)	**25,243,648**	25,284,251
Expenses related to short term leases	**242,349**	242,498
Net impact for the year	**32,826,379**	34,138,813
Amounts recognised in statement of cash flows:		
Total cash outflows (net) for leases	**31,650,790**	31,650,641

19 Trade and other payables	**2023**	2022
Trade payables	**36,404,321**	45,810,902
Provisions and accruals	**15,247,558**	25,092,604
Advances received from customers	**3,311,065**	827,098
Other payables	**3,093,479**	2,660,518
VAT payable - net	**-**	284,374
	58,056,423	74,675,496

	For the year ended March 31,	
	2023	2022
20 Revenue		
Revenue from contracts with customers	**794,299,563**	866,013,722

20.1 Disaggregated revenue information

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

<u>**Segments**</u>		
Sale of pipes and fittings	**794,299,563**	866,013,722
Total revenue from contracts with customers	**794,299,563**	866,013,722
Geographical markets		
Sales: Outside U.A.E.	**684,489,270**	561,741,570
: Within U.A.E.	**109,810,293**	304,272,152
Total revenue from contracts with customers	**794,299,563**	866,013,722
Timing of revenue recognition		
Goods transferred at a point in time	**794,299,563**	866,013,722
Total revenue from contracts with customers	**794,299,563**	866,013,722

20.2 Performance obligations

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

<u>Sale of pipes and fittings</u>

The performance obligation is satisfied on delivery of pipes in case of sales within U.A.E. and on shipping/delivery in case of sales outside U.A.E. depending upon the contractual terms agreed with the customers and payment is generally due within 30 to 180 days from delivery/shipment date. The standard manufacturer's warranty offered on pipes sold by the Entity does not qualify as a separate performance obligation under IFRS 15 "Revenue from contract with customers".

		For the year ended March 31,	
		2023	2022
21	**Cost of revenue**		
	Cost of goods manufactured		
	Balance at the beginning of the year - raw materials, spares and consumables	**179,499,157**	102,572,530
	Add: Purchases	**495,109,093**	657,538,287
	Less: Balance at the end of the year - raw materials, spares and consumables (note 8)	**(192,642,252)**	(179,499,157)
	Raw material consumed	**481,965,998**	580,611,660
	Utilities	**42,699,501**	49,102,200
	Direct labour	**42,196,844**	42,578,535
	Manufacturing overhead	**12,678,034**	13,454,118
	Depreciation on property, plant and equipment (note 5)	**10,368,810**	11,384,819
	Depreciation on right-of-use assets (note 6)	**20,601,227**	20,601,228
	Manufacturing cost	**610,510,414**	717,732,560
	Balance at the beginning of the year - work-in-progress	**18,358,456**	14,400,680
	Less: Balance at the end of the year - work-in-progress (note 8)	**(16,393,571)**	(18,358,456)
	Cost of goods manufactured	**612,475,299**	713,774,784
	Balance at the beginning of the year - finished goods	**31,503,088**	36,751,269
	Less: Balance at the end of the year - finished goods (note 8)	**(29,840,472)**	(31,503,088)
		614,137,915	719,022,965
22	**Other income**		
	Scrap sales	**1,142,849**	679,403
	Reversal of provisions	**152,686**	854,592
	Trade payables written back	**279,469**	300,104
	Insurance claim*	**2,311,360**	-
	Foreign exchange gain	**353,139**	-
	Miscellaneous income	**1,481,519**	318,111
		5,721,022	2,152,210

* The insurance claim relates to the business disruption resulting from the collapse of an insured cooling tower.

23	**Selling and distribution expenses**		
	Distribution cost	**92,449,405**	58,165,670
	Advertisement and marketing	**11,796,077**	11,479,781
	Commission on sales	**21,924,641**	21,200,153
		126,170,123	90,845,604

	For the year ended March 31,	
	2023	2022
24 Administrative expenses		
Salaries and related benefits	**8,892,707**	7,803,422
Legal, visa, professional and related expenses	**1,413,433**	1,330,928
Travelling and conveyance	**983,034**	60,057
Repairs and maintenance	**230,623**	141,679
Utilities	**916,831**	1,258,758
Telephone and communications	**363,458**	363,435
Depreciation on property, plant and equipment (note 5)	**975,698**	887,096
Depreciation on right-of-use assets (note 6)	**4,642,421**	4,683,023
Amortization on intangible assets (note 7)	**199,465**	194,886
Insurance	**961,532**	868,723
Loss on sale of property, plant and equipment	**214,460**	898,208
Foreign exchange loss	-	152,855
Others	**401,304**	468,801
	20,194,966	19,111,871
25 Finance costs		
Interest*	**16,169,412**	9,101,646
Bank charges**	**5,420,842**	2,702,153
Interest on lease liabilities (note 17)	**7,340,382**	8,612,064
	28,930,636	20,415,863

* The above includes AED 11,273,633 (2022: AED 5,835,170) and AED 1,322,933 (2022: Nil) being interest paid to shareholder (M/s. Jindal Saw Middle East FZE) for the use of working capital facilities and capital resources, respectively, during the year (note 9) and AED 577,553 (2022: AED 947,879) being interest accrued on loans from a related party.

** The above includes AED 3,320,071 (2022: Nil) and AED 155,363 (2022: Nil) being interest paid to shareholder (M/s. Jindal Saw Middle East FZE) for the use of working capital facilities and capital resources, respectively, during the year (note 9).

26 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 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,	
	2023	2022	**2023**	2022
Financial assets	Carrying amount		Fair value	
Trade receivables	**90,815,181**	132,247,532	**90,815,181**	132,247,532
Other receivables	**2,500,756**	221,319	**2,500,756**	221,319
Due from related parties	**33,270,256**	27,445,728	**33,270,256**	27,445,728
Cash and bank balances	**874,721**	515,659	**874,721**	515,659
	127,460,914	160,430,238	**127,460,914**	160,430,238

26 Financial instruments (continued)

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

	As at March 31,		As at March 31,	
	2023	2022	**2023**	2022
Financial liabilities	Carrying amount		Fair value	
Trade and other payables	**54,745,358**	73,564,024	**54,745,358**	73,564,024
Due to related parties	**24,814,616**	43,237,506	**24,814,616**	43,237,506
Long term loans from a related party	**8,892,844**	20,434,542	**8,892,844**	20,434,542
Lease liabilities	**106,560,745**	131,113,502	**106,560,745**	131,113,502
	195,013,563	268,349,574	**195,013,563**	268,349,574

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, due from related parties, trade receivables and other receivables. Financial liabilities consist of trade and other payables, due to related parties, long term loan from a related party and lease liabilities.

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

c) *Valuation premise for financial instruments that are not measured at fair value on recurring basis*

The following methods and assumptions were used to estimate the fair values:

Long-term borrowings or receivables are evaluated by the Entity based on parameters such as interest rates, individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at the reporting date, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

27 Financial risk management objectives

The Entity's 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.

27 Financial risk management objectives (continued)

a) *Foreign currency risk management*

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

The carrying amounts of the Entity's monetary assets and liabilities denominated in foreign currencies other than in Arab Emirates Dirham or currencies to which the Dirham is fixed are as follows:

	Amounts in Foreign currency		Amounts in AED	
	2023	2022	**2023**	2022
Bank balances				
Euro	**8,745**	8,908	**34,982**	36,126
SAR	**61,630**	48,386	**60,297**	47,370
BHD	**191**	779	**1,856**	7,598
Trade receivables				
Euro	**114,242**	560,785	**497,056**	2,359,530
SAR	**18,136,622**	661,853	**17,746,275**	648,331
BHD	**916,946**	1,865,598	**8,922,852**	18,172,873
Due to related parties				
Euro	**1,733**	207,754	**6,793**	936,442
Trade and other payables				
Euro	**151,623**	26,353	**601,403**	110,882
SAR	**240,611**	133,629	**235,244**	130,823
GBP	**939**	1,812	**4,483**	8,743
INR	**577,500**	687,069	**29,707**	33,217
KWD	**5,099**	4,011	**61,707**	48,435
BHD	**6,660**	-	**64,809**	-

Foreign currency sensitivity analysis:

The following table details the Entity's sensitivity to a 10% increase and decrease in the AED against the relevant foreign currencies. 10% is the sensitivity rate used for reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive or negative number below indicates an increase or decrease in profit or loss where the AED weakens 10% against the relevant currency. For a 10% strengthening of the AED against the relevant currency, there would be an equal and opposite impact on the profit or loss , and the balances below would be negative.

	Profit or loss	
	2023	2022
	(AED)	(AED)
Euro	**(7,616)**	134,833
SAR	**1,757,133**	56,488
BHD	**892,471**	1,818,047
GBP	**(448)**	(874)
INR	**(2,971)**	(3,322)
KWD	**(6,171)**	(4,844)
	2,632,398	2,000,329

27 Financial risk management objectives (continued)

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.

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 shareholders at its disposal to further reduce liquidity risk.

Liquidity and interest risk table:

The table below summarises 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 statement of 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 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, 2023				
Financial assets							
Trade receivables	-	-	-	-	90,815,181	-	90,815,181
Other receivables	-	-	-	-	2,500,756	-	2,500,756
Due from related parties	-	-	-	-	33,270,256	-	33,270,256
Cash and bank balances	-	-	-	874,721	-	-	874,721
	-	-	-	874,721	126,586,193	-	127,460,914
Financial liabilities							
Trade and other payables	-	-	-	-	54,745,358	-	54,745,358
Due to related parties	-	-	-	-	24,814,616	-	24,814,616
Long term loans from a related party	-	-	4,572,251	-	-	4,320,593	8,892,844
Lease liabilities	-	25,947,349	80,613,396	-	-	-	106,560,745
	-	25,947,349	85,185,647	-	79,559,974	4,320,593	195,013,563

27 Financial risk management objectives (continued)

c) *Liquidity risk management (continued)*

Liquidity and interest risk table (continued)

Particulars	Interest bearing: On demand or less than 3 months	Interest bearing: Within 1 year	Interest bearing: More than 1 year	Non Interest bearing: On demand or less than 3 months	Non Interest bearing: Within 1 year	Non Interest bearing: More than 1 year	Total
As at March 31, 2022							
Financial assets							
Trade receivables	-	-	-	-	132,247,532	-	132,247,532
Other receivables	-	-	-	-	221,319	-	221,319
Due from related parties	-	-	-	-	27,445,728	-	27,445,728
Cash and bank balances	-	-	-	515,659	-	-	515,659
	-	-	-	515,659	159,914,579	-	160,430,238
Financial liabilities							
Trade and other payables	-	-	-	-	73,564,024	-	73,564,024
Due to related parties	-	-	-	-	43,237,506	-	43,237,506
Long term loan from a related party	-	-	4,320,593	-	-	16,113,949	20,434,542
Lease liabilities	948,710	23,604,047	106,560,745	-	-	-	131,113,502
	948,710	23,604,047	110,881,338	-	116,801,530	16,113,949	268,349,574

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 and the Entity applies simplified approach under IFRS 9 to measure lifetime expected credit loss allowance on all of its trade receivables.

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables. Further details of credit risks on trade and other receivables in notes 10 & 11 to the financial statements.

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 financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

28 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 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, reserve, accumulated (losses) and shareholder's current account as disclosed in the financial statements.

	As at March 31,	
29 Contingent liabilities	**2023**	2022
Corporate guarantee	**7,553,733**	3,720,591

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 financial statements as of reporting date.

30 Commitments	As at March 31,	
	2023	2022
Commitment towards purchase of property, plant and equipment (note 5)	**6,062,711**	9,055,583

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

31 Reclassification

Certain figures for the previous year were regrouped/reclassified, wherever necessary, 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.

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