Jindal Saw Holdings FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

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

Jindal Saw Holdings FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

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For identification purpose only
UHY
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Ref: JM/AR/2023/23145

Independent Auditor's Report

To,

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

Report on the Audit of Separate Financial Statements

Opinion

We have audited the accompanying separate financial statements of **M/s. Jindal Saw Holdings FZE** (the "Entity") which comprise the separate statement of financial position as at March 31, 2023 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, 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 Separate 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 separate financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA 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 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) and their preparation in compliance 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 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.

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

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Independent Auditor's Report to the Shareholder of Jindal Saw Holdings FZE (continued)

Auditor's Responsibilities for the Audit of 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 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 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 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 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 Holdings FZE (continued)

Report on Other Legal and Regulatory Requirements (continued)

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

4 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 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, 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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UHY JAMES CHARTERED ACCOUNTANTS

Jindal Saw Holdings FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

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

	Notes	2023	2022
Assets			
Non-current assets			
Investment in subsidiaries	5	**98,735,877**	98,435,877
Long term loan to a related party	6	**94,701,099**	94,701,099
Total non-current assets		**193,436,976**	193,136,976
Current assets			
Short term loan to a related party	6	**16,839,461**	20,441,357
Due from related parties	6	**15,072,673**	12,881,883
Advances, deposits and other receivables	7	**312,178**	2,660,348
Bank balances	8	**226,029**	990,922
Total current assets		**32,450,341**	36,974,510
Total assets		**225,887,317**	230,111,486
Equity and liabilities			
Equity			
Share capital	9	**124,900,000**	124,900,000
Accumulated (losses)	10	**(74,044,532)**	(73,432,082)
Total equity		**50,855,468**	51,467,918
Non-current liabilities			
Long term loan from a related party	6	**84,100,250**	84,100,250
Non-cumulative optionally convertible redeemable preference shares	11	**79,680,000**	79,680,000
Employees' end of service benefits	12	**915,360**	718,129
Total non-current liabilities		**164,695,610**	164,498,379
Current liabilities			
Short term loan from a related party	6	**4,418,455**	4,727,705
Due to a related party	6	-	1,836,250
Provisions and other payables	13	**5,917,784**	7,581,234
Total current liabilities		**10,336,239**	14,145,189
Total liabilities		**175,031,849**	178,643,568
Total equity and liabilities		**225,887,317**	230,111,486

The accompanying notes on pages 8 to 23 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 23 were approved on April 24, 2023 and signed on behalf of the Entity, by:

Amit Kumar

Mr. Amit Kumar
Director

JINDAL SAW HOLDINGS FZE
P.O.Box: 50556
FUJAIRAH-U.A.E.
جيندال سو هولدينج م.م.ح

Mr. Anil Kumar Kejriwal
Director

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Jindal Saw Holdings FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

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

	Notes	2023	2022
Expenses			
Administrative expenses	14	**(899,749)**	(1,705,710)
Finance costs	15	**(2,171,303)**	(1,934,922)
Other income	16	**2,458,602**	715,344
(Loss) for the year		**(612,450)**	(2,925,288)
Other comprehensive income		-	-
Total comprehensive (loss) for the year		**(612,450)**	(2,925,288)

The accompanying notes on pages 8 to 23 form an integral part of these separate financial statements.

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Jindal Saw Holdings FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

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

	Share capital	Accumulated (losses)	Total equity
Balance as at April 01, 2021	106,925,000	(70,506,794)	36,418,206
Additional capital introduced	17,975,000	-	17,975,000
(Loss) for the year	-	(2,925,288)	(2,925,288)
Balance as at March 31, 2022	124,900,000	(73,432,082)	51,467,918
(Loss) for the year	-	(612,450)	(612,450)
Balance as at March 31, 2023	**124,900,000**	**(74,044,532)**	**50,855,468**

The accompanying notes on pages 8 to 23 form an integral part of these separate financial statements.

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

	2023	2022
Cash flows from operating activities		
(Loss) for the year	**(612,450)**	(2,925,288)
Adjustments for:		
Foreign currency exchange loss	**442,003**	1,405,314
Provision for employees' end of service benefits	**243,696**	183,877
Interest income	**(824,339)**	(715,344)
(Reversal) of other payables	**(1,634,263)**	-
Finance costs	**2,171,303**	1,934,922
Operating (loss) before changes in operating assets and liabilities	**(214,050)**	(116,519)
Decrease/(increase) in current assets		
Advances, deposits and other receivables	**2,348,170**	1,764,923
Due from related parties	**638,216**	(11,652,500)
Increase/(decrease) in current liabilities		
Provisions and other payables	**(29,187)**	(303,674)
Due to a related party	**(1,836,250)**	(2,956,363)
Cash generated from/(used in) operations	**906,899**	(13,264,133)
Employees' end-of-services benefits paid	**(46,465)**	(9,758)
Net cash from/(used in) operating activities	**860,434**	(13,273,891)
Cash flows from investing activities		
Investments in subsidiaries	**(300,000)**	(7,345,000)
Interest income received	**1,155,226**	773,274
Net cash from/(used in) investing activities	**855,226**	(6,571,726)
Cash flows from financing activities		
(Repayments)/proceeds from loan from a related party	**(309,250)**	3,906,858
Share capital introduced	-	17,975,000
Finance costs paid	**(2,171,303)**	(1,934,922)
Net cash (used in)/from financing activities	**(2,480,553)**	19,946,936
Net (decrease)/increase in cash and cash equivalents	**(764,893)**	101,319
Cash and cash equivalents, beginning of the year	**990,922**	889,603
Cash and cash equivalents, end of the year (note 8)	**226,029**	990,922

The accompanying notes on pages 8 to 23 form an integral part of these separate financial statements.

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

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1 **Legal status and business activities**

1.1 **M/s. Jindal Saw Holdings FZE,** Fujairah Free Zone, Fujairah - United Arab Emirates (the "Entity") was registered on October 19, 2009 as a Free Zone Establishment and operates in the United Arab Emirates under Investment license no. 2640 and General Trading license no. 2640A issued by the Fujairah Free Zone Authority, Government of Fujairah, Fujairah - United Arab Emirates.

1.2 The Entity is licensed to invest in business such as company, establishment, joint venture, organization or engaging with other entities carrying on similar business inside or outside United Arab Emirates and general trading.

1.3 The registered address of the Entity is P.O. Box: 50556, Fujairah Free Zone, Fujairah - United Arab Emirates.

1.4 The management and control is vested with the Director, Mr. Anil Kumar Kejriwal (Indian national).

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 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, 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

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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 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 presentational currency.

4.2 Basis of preparation

These financial statements represent separate financial statements of the Entity prepared in accordance with IAS 27 "Separate Financial Statements".

The separate 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 separate financial statements are set out as follows.

4.3 Current/non-current classification

The Entity presents assets and liabilities in the separate statement of financial position based on current/non-current classification.

4 Significant accounting policies (continued)

4.3 Current/non-current classification (continued)

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.

4.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Entity.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the statement of profit or loss and other comprehensive income, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the separate statement of profit or loss and other comprehensive income as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in the separate statement of profit or loss and other comprehensive income.

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4 Significant accounting policies (continued)

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.

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 Investment in subsidiaries

The investment in subsidiaries are accounted for using cost method as suggested by IAS 27 "Separate Financial Statements", preparation of separate financial statements with an exemption of IFRS 10 "Consolidated Financial Statements" where the Entity has not opted to consolidate its subsidiary.

4.8 Financial instruments

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

4.8.1 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 the separate statement of profit or loss and other comprehensive income.

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4 Significant accounting policies (continued)

4.8 Financial instruments (continued)

4.8.1 Financial assets (continued)

Measurement (continued)

Financial assets comprise of cash and cash equivalents, due from/loan to related parties, other receivables and other financial assets.

Cash and cash equivalents

Cash and cash equivalents comprise current account with banks.

Other receivables

Other 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 other receivables and adjusts the value to the expected collectible amounts.

Other 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 other 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.

Due from/loan to related parties

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

Other financial assets

Other financial assets include both debt instrument and equity instruments. Debt instruments include those subsequently carried at amortized cost, those carried at FVTPL and those carried at FVTOCI.

Debt instruments

Debt instruments that are held for collection of contractual cash flow, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in the separate statement of profit or loss and other comprehensive income using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

For 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.

4 Significant accounting policies (continued)

4.8 Financial instruments (continued)

4.8.1 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.

4.8.2 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 other payables and due to/loan from a related party.

Other payables

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

Due to/loan from a related party

Amounts due to/loan from a related party is 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 separate statement of profit or loss and other comprehensive income.

4.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the separate 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.

4.10 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.

4 Significant accounting policies (continued)

4.10 Provisions (continued)

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.

4.11 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.

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.

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.

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5 Investment in subsidiaries

	Proportion of ownership interest		Proportion of voting power		2023	2022
	2023	2022	2023	2022		
a) M/s. Jindal Saw Middle East FZE, Fujairah Free Zone, Fujairah - U.A.E.						
- Investment in share capital	100%	100%	100%	100%	66,000,000	66,000,000
- Additional investment					32,435,877	32,435,877
					98,435,877	98,435,877
b) M/s. Greenray Holdings Limited, Leicestershire - United Kingdom						
- Investment in share capital	49%	49%	100%	100%	34,534,247	34,534,247
Impairment losses					(34,534,247)	(34,534,247)
					-	-
Movement in impairment losses						
Balance at the end of the year					34,534,247	34,534,247
c) M/s. Jindal Saw Gulf (L.L.C.), Abu Dhabi - U.A.E.						
- Investment in share capital	51%	-	100%	-	153,000	-
- Additional investment					147,000	-
					300,000	-
Total (a + b + c)					**98,735,877**	98,435,877

a) Represents 100% equity interest {1,000 shares of AED 66,000 each (2022: 1,000 shares of AED 66,000 each)} and an additional long term investment of capital employed in M/s. Jindal Saw Middle East FZE, Fujairah Free Zone, Fujairah - U.A.E. The principal activities of the subsidiary are general trading and acting as a holding company.

b) Represents 49% equity interest {6,779,168 shares (2022: 6,779,168 shares)} in M/s. Greenray Holdings Limited, Leicestershire - United Kingdom. The remaining 51% equity interest {7,055,849 shares (2022: 7,055,849 shares)} is held by M/s. Jindal Saw Limited - India (the ultimate parent) and the defacto control and power to govern the operating and financial policies of the investee remains with the Entity. The principal activity of the investee is distribution of ductile iron pipes, fittings, waterworks valves, pipe joints and pipe repair products.

In 2017, the management decided to dissolve M/s. Derwent Sand SARL - Algeria, a fully owned subsidiary of M/s. Greenray Holdings Limited. Initially, the Entity had recorded an estimated provision towards dissolution of AED 11,010,000 in it's separate financial statements which was later adjusted against a cash contribution of AED 5,613,071. Further in 2020, conversion of a short term loan of AED 3,670,000 into equity was done to settle the liabilities of the investee. The entire investment as at the year ended March 31, 2023 has been deemed to be impaired.

c) Represents 51% equity interest (153 shares of AED 1,000 each). The principal activities of the subsidiary are general trading and acting as a holding company. 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.

The investment in subsidiaries have been separately accounted at cost in these separate financial statements as an exemption to consolidate in accordance with IFRS 10 "Consolidated Financial Statements", as the Ultimate Parent Entity prepares consolidated financial statements.

6 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) Long term loan to a related party		
Subsidiary		
M/s. Jindal Saw Middle East FZE, Fujairah Free Zone, Fujairah - U.A.E.	**94,701,099**	94,701,099

The above loan was provided to M/s. Jindal Saw Middle East FZE, Fujairah Free Zone, Fujairah - U.A.E. to meet working capital requirements. The said loan is interest free, without any fixed repayment schedule and considered as a long term source of finance for the related party.

	2023	2022
b) Short term loan to a related party		
Entity under common management and control		
M/s. Jindal Saw Italia - Italy*	**16,839,461**	20,441,357

* The above loan was provided to meet working capital requirements. The said loan carries interest at 3 months EURIBOR + 3.25% per annum and is repayable on or before October 25, 2023 in multiple installments (note 16).

	2023	2022
c) Due from related parties		
Entity under common management and control		
M/s. Jindal Pipe USA Inc - U.S.A.	**607,593**	607,593
Subsidiary		
M/s. Jindal Saw Gulf L.L.C., Abu Dhabi - U.A.E.	**14,431,763**	12,238,866
Shareholder		
M/s. Jindal Saw Limited - India	**33,317**	35,424
	15,072,673	12,881,883
d) Due to a related party		
Subsidiary		
M/s. Greenray Holdings Limited, Leicestershire - U.K.	**-**	1,836,250
e) Long term loan from a related party		
Entity under common management and control		
M/s. International Investments Limited FZC, Fujairah - U.A.E.	**84,100,250**	84,100,250

The loan is interest free and without any fixed repayment schedule and is not due for repayment within next 12 months.

	2023	2022
f) Short term loan from a related party		
Entity under common management and control		
M/s. SV Trading Limited - Island of Nevis *	**4,418,455**	4,727,705

* This loan carries interest @ 1% per annum and is repayable in multiple installments on or before January 31, 2024.

6 **Related party transactions (continued)**

g) **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 15):		
M/s. SV Trading Limited - Island of Nevis	**47,075**	45,267
Expense recharged to related parties (note 16):*		
M/s. Jindal Saw Gulf L.L.C., Abu Dhabi - U.A.E.	**4,999,982**	4,506,395
M/s. Jindal Pipe USA Inc - U.S.A.	**-**	607,593
	4,999,982	5,113,988
Interest income (note 16):		
M/s. Jindal Saw Italia - Italy	**824,339**	715,344

* Represents salaries and related benefits recharged to related parties, M/s. Jindal Saw Gulf L.L.C., Abu Dhabi - U.A.E. for the provision of management services and M/s. Jindal Pipe USA Inc, U.S.A. for employee transferred to the related party.

	2023	2022
7 Advances, deposits and other receivables		
Prepayments	**107,737**	2,360,145
Other advances	**16,983**	60,466
Guarantee deposits	**108,000**	118,237
Staff advances	**78,750**	121,500
VAT receivable - net	**708**	-
	312,178	2,660,348
8 Bank balances		
Cash at banks	**226,029**	990,922

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.

9 **Share capital**

The authorised, issued and paid up capital of the Entity is AED 124,900,000 (2022: AED 124,900,000) divided into 1,000 shares (2022: 1,000 shares) of AED 124,900 (2022: AED 124,900) each fully paid.

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

Name of shareholder	Domicile	Percentage	No. of shares	**2023**	2022
M/s. Jindal Saw Limited *(Represented by Mr. Anil Kumar Kejriwal)*	India	100	1,000	**124,900,000**	124,900,000

10 Accumulated (losses)	**2023**	2022
Balance at the beginning of the year	**(73,432,082)**	(70,506,794)
(Loss) for the year	**(612,450)**	(2,925,288)
Balance at the end of the year	**(74,044,532)**	(73,432,082)

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11 Non-cumulative optionally convertible redeemable preference shares

Authorised non-cumulative optionally convertible redeemable preference share capital (NCOCRPS) of the Entity is AED 79,680,000 (2022: AED 79,680,000), divided into 7,968 shares (2022: 7,968 shares) of AED 10,000 (2022: AED 10,000) each.

The non-cumulative optionally convertible redeemable preference shares shall be redeemed or converted to ordinary equity shares within 10 years from allotment. However, the NCOCRPS can be redeemed earlier by the Entity or converted earlier by the holder. NCOCRPS also carry discretionary non-cumulative coupon rate of 6% p.a. Therefore, NCOCRPS is treated as a financial liability in the separate financial statements.

No dividend/interest is being accrued due to accumulated losses incurred by the Entity.

	2023	2022
Non-cumulative optionally convertible redeemable preference shares	**79,680,000**	79,680,000

12 Employees' end of service benefits

	2023	2022
Balance at the beginning of the year	**718,129**	544,010
Add: Charge for the year	**243,696**	183,877
Less: Paid during the year	**(46,465)**	(9,758)
Balance at the end of the year	**915,360**	718,129

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.

13 Provisions and other payables

	2023	2022
Provision for dissolution cost (note 5)	**5,396,929**	5,396,929
Provisions and accruals	**461,669**	551,155
Other payables	**59,186**	1,633,150
	5,917,784	7,581,234

	For the year ended March 31,	
	2023	2022
14 Administrative expenses		
Legal, visa, professional and related expenses	**322,951**	100,396
Rent	**14,795**	80,000
Salaries and related benefits	**120,000**	120,000
Foreign currency exchange loss	**442,003**	1,405,314
	899,749	1,705,710
15 Finance costs		
Interest and bank charges*	**2,171,303**	1,934,922

* Includes AED 47,075 (2022: AED 45,267) charged on short term loan from a related party (note 6(g)).

16 Other income

	2023	2022
Interest income (note 6(g))	**824,339**	715,344
Reversal of other payables	**1,634,263**	-
Recharge of expenses to related parties (note 6(g))	**4,999,982**	5,113,988
Less: Actual expenses incurred	**(4,999,982)**	(5,113,988)
	2,458,602	715,344

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17 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,	
	2023	2022	**2023**	2022
Financial assets	Carrying amount		Fair value	
Long term loan to a related party	**94,701,099**	94,701,099	**94,701,099**	94,701,099
Short term loan to a related party	**16,839,461**	20,441,357	**16,839,461**	20,441,357
Due from related parties	**15,072,673**	12,881,883	**15,072,673**	12,881,883
Other receivables	**108,708**	142,245	**108,708**	142,245
Bank balances	**226,029**	990,922	**226,029**	990,922
	126,947,970	129,157,506	**126,947,970**	129,157,506
Financial liabilities				
Short term loan from a related party	**4,418,455**	4,727,705	**4,418,455**	4,727,705
Non-cumulative optionally convertible redeemable preference shares	**79,680,000**	79,680,000	**79,680,000**	79,680,000
Long term loan from a related party	**84,100,250**	84,100,250	**84,100,250**	84,100,250
Due to a related party	**-**	1,836,250	**-**	1,836,250
Provisions and other payables	**5,917,784**	7,581,234	**5,917,784**	7,581,234
	174,116,489	177,925,439	**174,116,489**	177,925,439

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 due from related parties, other receivables, long term loan to a related party, short term loan to a related party and bank balances. Financial liabilities consist of short term loan from a related party, non-cumulative optionally convertible redeemable preference shares, provisions and other payables, long term loan from a related party and due to a related party.

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:

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 reporting date, the carrying amounts of such other receivables, net of allowances, were not materially different from their calculated fair values.

17 Financial instruments (continued)

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

The fair value of other financial liabilities 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.

18 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.

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:

	Assets			
	Amounts in Foreign currency		Amounts in AED	
	2023	2022	**2023**	2022
Due from a related party				
Euro	**4,209,760**	5,040,625	**16,839,461**	20,441,357
Cash and bank				
Euro	**11,780**	22,630	**47,121**	91,771

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 statement of profit or loss and other comprehensive income, and the balances below would be negative.

	Profit or loss	
	2023	2022
Due from a related party		
Euro	**1,683,946**	2,044,136
Cash and bank		
Euro	**4,712**	9,177

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18 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.

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 profit for the year then ended would (decrease)/increase by Nil (2022: (decrease)/increase by Nil).

c) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rest 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 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							
Short term loan to a related party	-	16,839,461	-	-	-	-	16,839,461
Long term loan to a related party	-	-	-	-	-	94,701,099	94,701,099
Due from related parties	-	-	-	-	15,072,673	-	15,072,673
Other receivables	-	-	-	-	108,708	-	108,708
Bank balances	-	-	-	226,029	-	-	226,029
	-	16,839,461	-	226,029	15,181,381	94,701,099	126,947,970

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Jindal Saw Holdings FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

Notes to the separate financial statements for the year ended March 31, 2023
(In Arab Emirates Dirham)

18 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, 2023			
Financial liabilities							
Short term loan from a related party	-	4,418,455	-	-	-	-	4,418,455
Non-cumulative optionally convertible redeemable preference shares	-	-	79,680,000	-	-	-	79,680,000
Long term loan from a related party	-	-	-	-	-	84,100,250	84,100,250
Provisions and other payables	-	-	-	-	5,917,784	-	5,917,784
	-	4,418,455	79,680,000	-	5,917,784	84,100,250	174,116,489
				As at March 31, 2022			
Financial assets							
Short term loan to a related party	-	20,441,357	-	-	-	-	20,441,357
Long term loan to a related party	-	-	-	-	-	94,701,099	94,701,099
Due from related parties	-	-	-	-	12,881,883	-	12,881,883
Other receivables	-	-	-	-	142,245	-	142,245
Bank balances	-	-	-	990,922	-	-	990,922
	-	20,441,357	-	990,922	13,024,128	94,701,099	129,157,506
Financial liabilities							
Short term loan from a related party	-	4,727,705	-	-	-	-	4,727,705
Non-cumulative optionally convertible redeemable preference shares	-		79,680,000	-	-	-	79,680,000
Long term loan from a related party	-	-	-	-	-	84,100,250	84,100,250
Provisions and other payables	-	-	-	-	7,581,234	-	7,581,234
Due to a related party	-	-	-	-	1,836,250	-	1,836,250
	-	4,727,705	79,680,000	-	9,417,484	84,100,250	177,925,439

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.

18 Financial risk management objectives (continued)

d) *Credit risk management (continued)*

Ongoing credit evaluation is performed on the financial condition of other receivables. Further details of credit risks on other receivables are disclosed in note 7 to the separate 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 separate financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

19 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 and accumulated (losses) as disclosed in the separate financial statements.

20 Contingent liabilities

Except for the 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.

21 Commitments

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

22 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.

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