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

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

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

Table of contents

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

Directors' report

Dear stakeholders,

The year ended on March 31, 2022 was having impact of COVID-19 and surge in the commodity price. Despite the negative environment, the Entity has been able to perform very well during the year 2022. The Entity executed some big orders from Oman, U.A.E. and Kuwait during the year due to which it has achieved revenue of AED 866 million and closed profit and loss account with net profit of AED 18.77 million. The Entity also has orders in hand of approximately AED 391 million which would be executed in FY 2022-23 providing a decent visibility for the year 2022.

We are presenting this report and the audited financial statements for the year ended March 31, 2022.

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 summarizes the results denoted in Arab Emirates Dirham (AED).

	2022	2021
Revenue	**866,013,722**	765,996,199
Gross profit	**149,291,846**	235,427,050
Gross profit margin	**17%**	31%
Profit for the year	**18,769,629**	45,257,424

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 Directors' responsibilities:

The applicable requirements, require the Directors 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.

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JINDAL SAW GULF L.L.C.

Statement of 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. 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 authorized representatives of the Entity.

Mr. Anil Kumar Kejriwal
Director
April 29, 2022

P.O.BOX:92135
ABU DHABI - U.A.E.
JINDAL SAW GULF L.L.C.

Mr. Amit Kumar
Director

UHY James
Chartered Accountants

Level 6, Clover Bay Tower
Business Bay
P.O. Box: 118863
Dubai, UAE

Tel +971 4 2770606
Fax +971 4 5548234
Email dubai@uhy-ae.com
Web uhy-ae.com

Ref: JM/AR/2022/22214

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, 2022 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, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Entity in accordance with the requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants (IESBA) together with ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard (IFRSs), in compliance with the requirements of applicable laws 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.

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

UHY James
Chartered Accountants

Level 6, Clover Bay Tower
Business Bay
P.O. Box: 118863
Dubai, UAE

Tel +971 4 2770606
Fax +971 4 5548234
Email dubai@uhy-ae.com
Web uhy-ae.com

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

Report on other legal and regulatory requirements

As required by the U.A.E. Federal Commercial Companies Law No. 2 of 2015, we further confirm that,

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

2 The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the U.A.E. Federal Commercial Companies Law No. 2 of 2015 and the Memorandum of Association of the Entity.

UHY James
Chartered Accountants

Level 6, Clover Bay Tower
Business Bay
P.O. Box: 118863
Dubai, UAE

Tel +971 4 2770606
Fax +971 4 5548234
Email dubai@uhy-ae.com
Web uhy-ae.com

Independent auditor's report to the shareholders of Jindal Saw Gulf L.L.C. (continued)

Report on other legal and regulatory requirements (continued)

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

4 The contents of the Directors' report which relates to the financial statements are in agreement with the Entity's books of account.

5 The Entity has not made any investments in shares and stocks during the year ended March 31, 2022.

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, any of the applicable provisions of the U.A.E. Federal Commercial Companies Law No. 2 of 2015 or the Memorandum of Association of the Entity, which would materially affect its activities or its financial position as at March 31, 2022.

For UHY James Chartered Accountants

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

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

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

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

	Notes	2022	2021
Assets			
Non-current assets			
Property, plant and equipment	5	**88,007,795**	65,034,886
Right-of-use assets	6	**122,810,508**	143,775,382
Intangible assets	7	**207,588**	380,617
Total non-current assets		**211,025,891**	209,190,885
Current assets			
Inventories	8	**229,360,701**	153,724,479
Due from related parties	9	**27,445,728**	13,525,683
Trade receivables	10	**132,247,532**	141,264,871
Advances, deposits and other receivables	11	**56,512,133**	20,433,382
Cash and bank balances	12	**515,659**	840,441
Total current assets		**446,081,753**	329,788,856
Total assets		**657,107,644**	538,979,741
Equity and liabilities			
Equity			
Share capital	13	**300,000**	300,000
Accumulated (losses)	14	**(76,182,104)**	(94,951,733)
Shareholder's current account	15	**458,941,125**	348,527,056
Total equity		**383,059,021**	253,875,323
Non-current liabilities			
Long term loans from a related party	9	**20,434,542**	19,486,663
Employees' end of service benefits	16	**4,587,577**	4,202,141
Lease liabilities - non current portion	17	**106,560,745**	128,667,991
Total non-current liabilities		**131,582,864**	152,356,795
Current liabilities			
Trade and other payables	18	**74,675,496**	73,220,363
Due to related parties	9	**43,237,506**	35,951,836
Lease liabilities - current portion	17	**24,552,757**	21,407,208
Bank borrowings	19	-	2,168,216
Total current liabilities		**142,465,759**	132,747,623
Total liabilities		**274,048,623**	285,104,418
Total equity and liabilities		**657,107,644**	538,979,741

The accompanying notes 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 29, 2022 and signed on behalf of the Entity, by:

Mr. Anil Kumar Kejriwal
Director

Mr. Amit Kumar
Director

P.O.BOX:92135
ABU DHABI - U.A.E.
JINDAL SAW GULF

Jindal Saw Gulf L.L.C.

Abu Dhabi - United Arab Emirates

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

	Notes	2022	2021
Revenue	20	**866,013,722**	765,996,199
Cost of revenue	21	**(716,721,876)**	(530,569,149)
Gross profit		**149,291,846**	235,427,050
Other income	22	**2,152,210**	764,582
Selling and distribution expenses	23	**(90,845,604)**	(146,176,476)
Administrative expenses	24	**(21,412,960)**	(22,203,242)
Finance costs	25	**(20,415,863)**	(22,554,490)
Profit for the year		**18,769,629**	45,257,424
Other comprehensive income		**-**	-
Total comprehensive income for the year		**18,769,629**	45,257,424

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

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

Jindal Saw Gulf L.L.C.

Abu Dhabi - United Arab Emirates

Statement of changes in equity for the year ended March 31, 2022

(In Arab Emirates Dirham)

	Share capital	Accumulated (losses)	Shareholder's current account	Total equity
Balance as at March 31, 2020	300,000	(140,209,157)	363,965,284	224,056,127
Profit for the year	-	45,257,424	-	45,257,424
Net movements during the year	-	-	(15,438,228)	(15,438,228)
Balance as at March 31, 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**

The accompanying notes form an integral part of these financial statements

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

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

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

	2022	2021
Cash flows from operating activities		
Profit for the year	**18,769,629**	45,257,424
Adjustments for:		
Depreciation on property, plant and equipment	**12,271,915**	15,277,664
Depreciation on right-of-use assets	**25,284,251**	25,365,455
Amortisation of intangible assets	**194,886**	209,545
Loss/(gain) on sale of property, plant and equipment	**898,208**	(353,330)
Impairment for other receivables	-	450,000
Provision for employees' end of service benefits	**1,061,071**	831,535
Allowance for expected credit loss	-	661,050
Interest expense	**17,713,710**	17,567,477
Reversal of trade payables and provisions	**(1,154,696)**	-
Operating profit before changes in operating assets and liabilities	**75,038,974**	105,266,820
(Increase)/decrease in current assets		
Inventories	**(75,636,222)**	(9,965,368)
Trade receivables	**9,017,339**	(62,964,693)
Advances, deposits and other receivables	**(36,078,751)**	(5,677,168)
Due from related parties	**(13,920,045)**	17,924,567
Increase/(decrease) in current liabilities		
Trade and other payables	**2,609,829**	(11,225,601)
Due to related parties	**7,285,670**	27,222,791
Cash (used in)/generated from operations	**(31,683,206)**	60,581,348
Employees' end of services benefits paid	**(675,635)**	(412,471)
Interest expense paid	**(9,101,646)**	(7,786,024)
Net (used in)/cash from operating activities	**(41,460,487)**	52,382,853
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	**39,525**	977,474
Acquisition of property, plant and equipment	**(36,182,556)**	(23,235,788)
Acquisition of intangible assets	**(21,857)**	-
Net cash (used in) investing activities	**(36,164,888)**	(22,258,314)
Cash flows from financing activities		
(Repayment)/proceeds from bank borrowings (net)	**(2,168,216)**	2,168,216
(Repayment) of lease liabilities	**(31,893,139)**	(32,372,568)
Proceeds from long term loan from related party	**947,879**	15,166,070
Shareholder's current account	**110,414,069**	(15,438,228)
Net cash from/(used in) financing activities	**77,300,593**	(30,476,510)
Net (decrease) in cash and cash equivalents	**(324,782)**	(351,971)
Cash and cash equivalents, beginning of the year	**840,441**	1,192,412
Cash and cash equivalents, end of the year	**515,659**	840,441
Cash and cash equivalents		
Cash in hand	**23,172**	32,996
Cash at banks	**492,487**	807,445
	515,659	840,441

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

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

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 an industrial license 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 and 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 (all Indian nationals).

1.5 These financial statements incorporate the operating results of the Industrial license no. IN - 1002018.

2 COVID-19 impact

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

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

3 New standards and amendments

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

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

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

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

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

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

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

3 New standards and amendments (continued)

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

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

Management anticipates that these new standards, interpretations and amendments will be adopted in the 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 below.

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.

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

The Entity classifies all other liabilities as non-current.

4 Significant accounting policies (continued)

4.4 Foreign currency

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

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

4.5 Property, plant and equipment

Property, plant and equipment 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 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 as separate items (major components) of property, plant and equipment.

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.

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:

4 Significant accounting policies (continued)

4.6 Leases (continued)

- 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.

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 Significant accounting policies (continued)

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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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.

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.

4.9 Financial instruments

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

4.10 Financial assets

Classification

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

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

- those to be measured at amortised cost.

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

4 Significant accounting policies (continued)

4.10 Financial assets (continued)

Measurement

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

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

Cash and cash equivalents

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

Due from related parties

Amounts due from related parties are stated at amortised cost.

Receivables

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

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

Impairment of financial assets

For 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.

4.11 Financial liabilities

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

4 Significant accounting policies (continued)

4.11 Financial liabilities (continued)

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 payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Due to/loan from related parties

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

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.

4.12 Offsetting financial instruments

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

4.13 Inventories

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

4.14 Provisions

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

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

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

4.15 Revenue recognition

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

4 Significant accounting policies (continued)

4.15 Revenue recognition (continued)

Sale of goods

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

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

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

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

4.16 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management 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.

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.

4 Significant accounting policies (continued)

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

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 March 31, 2020	10,649,458	12,250,011	573,000	69,362,027	2,687,252	2,407,578	777,951	98,707,277
Addition during the year	371,789	2,299,094	-	15,135,642	107,050	139,132	5,183,081	23,235,788
Transferred from capital work-in-progress	93,083	138,892	-	-	-	-	(231,975)	-
Disposal during the year	-	-	-	(652,311)	-	(162,100)	-	(814,411)
Written off during the year	-	-	-	(9,282,664)	-	-	-	(9,282,664)
As at March 31, 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**
Accumulated depreciation								
As at March 31, 2020	2,846,045	5,601,667	573,000	28,052,774	2,365,021	1,567,864	-	41,006,371
Charge for the year	533,197	1,708,930	-	12,707,661	117,860	210,016	-	15,277,664
Eliminated on disposal during the year	-	-	-	(9,310,831)	-	(162,100)	-	(9,472,931)
As at March 31, 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**
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**
Carrying value as at March 31, 2021	7,735,088	7,377,400	-	43,113,090	311,421	768,830	5,729,057	65,034,886

5 Property, plant and equipment (continued)

Notes:

- Building improvements represent office building and factory boundary wall on Plot no.11 NR 28 leased from Higher Corporation for Specialised Economic Zones (Zone Corp), 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:

		For the year ended March 31,	
	Notes	**2022**	2021
Cost of revenue	21	**9,083,730**	12,707,661
Administrative expenses	24	**3,188,185**	2,570,003
		12,271,915	15,277,664

6 Right-of-use assets

	Land and building	Plant and machinery	Total
Cost			
As at March 31, 2020	70,898,931	123,607,361	194,506,292
As at March 31, 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
Accumulated depreciation			
As at March 31, 2020	4,764,228	20,601,227	25,365,455
Charge for the year	4,764,228	20,601,227	25,365,455
As at March 31, 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
Carrying value as at March 31, 2022	**61,006,829**	**61,803,679**	**122,810,508**
Carrying value as at March 31, 2021	61,370,475	82,404,907	143,775,382

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, 2022	2021
Cost of revenue	21	**20,601,228**	20,601,227
Administrative expenses	24	**4,683,023**	4,764,228
		25,284,251	25,365,455

7 Intangible assets

	Total
Cost	
As at March 31, 2020	1,178,869
As at March 31, 2021	1,178,869
Additions during the year	21,857
As at March 31, 2022	**1,200,726**
Accumulated amortisation	
As at March 31, 2020	588,707
Amortisation for the year (note 24)	209,545
As at March 31, 2021	798,252
Amortisation for the year (note 24)	194,886
As at March 31, 2022	**993,138**
Carrying value as at March 31, 2022	**207,588**
Carrying value as at March 31, 2021	380,617

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.

		2022	2021
8	**Inventories**		
	Raw materials	**148,572,915**	74,357,670
	Spares and consumables	**30,926,242**	28,214,860
	Work-in-progress	**18,358,456**	14,400,680
	Finished goods	**31,503,088**	36,751,269
		229,360,701	153,724,479

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.

	2022	2021
a) Due from related parties		
Entities under common management and control		
M/s. Jindal Saw Italia SPA - Italy	**23,627,472**	9,211,694
M/s. Jindal Saw Limited - India	**3,818,256**	4,313,989
	27,445,728	13,525,683
b) Long term loans from a related party		
Entity under common management and control		
M/s. International Investments Limited FZC, Fujairah - U.A.E.	**20,434,542**	19,486,663

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

Loan I - AED 4,320,593

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

Loan II - AED 15,166,070

The above 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	2022	2021
Entities under common management and control		
M/s. Jindal Saw Italia SPA - Italy	**1,614,298**	154,366
M/s. Jindal Saw Limited - India	**29,384,342**	34,569,850
M/s. Jindal Saw Holdings FZE, Fujairah Free Zone, Fujairah - U.A.E.	**12,238,866**	1,227,620
	43,237,506	35,951,836

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,	
	2022	2021
Interest expense (note 25):		
M/s. Jindal Saw Middle East FZE, Fujairah - U.A.E. ***	**5,835,170**	5,672,983
Sales:		
M/s. Jindal Saw Italia SPA - Italy	**29,440,935**	28,755,878
M/s. Jindal Saw Limited - India	**5,856,603**	4,227,495
	35,297,538	32,983,373
Lease payment (note 17, 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	**69,621,155**	40,645,750
M/s. Jindal Saw Italia SPA - Italy	**809,341**	-
M/s. Jindal Saw Middle East FZE, Fujairah - U.A.E.	**65,110,454**	-
	135,540,950	40,645,750
Purchase of property, plant and equipment:		
M/s. World Transload and Logistics LLC - U.S.A.		82,709
M/s. Jindal Saw Limited - India		304,817
	-	387,526
Expense recharged to related parties:		
M/s. Jindal Saw Middle East FZE, Fujairah - U.A.E. **	**120,000**	-
M/s. Jindal Saw Italia SPA - Italy	**113,636**	-
M/s. Jindal Saw Limited - India	**24,570**	-
	258,206	-
Expense charged by related parties:		
M/s. Jindal Saw Holdings FZE, Fujairah Free Zone, Fujairah - U.A.E. #	**4,506,395**	7,615,597
M/s. Jindal Saw Italia SPA - Italy	**650,583**	-
	5,156,978	7,615,597
Disposal of property, plant and equipment:		
M/s. Jindal Saw Limited - India	**-**	1,359,453
Interest on loan from a related party (note 25):		
M/s. International Investments Limited FZC, Fujairah - U.A.E.	**947,879**	619,922

* 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.

10 Trade receivables

	2022	2021
Trade receivables: Outside U.A.E.	99,589,152	111,144,271
: Within U.A.E.	36,158,903	33,621,123
Less: Allowance for expected credit loss	(3,500,523)	(3,500,523)
	132,247,532	141,264,871

The credit period for the trade receivables is 30 - 180 days (2021: 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, 2022, there are 5 customers (2021: 5 customers) representing 41% (2021: 72%) of the total trade receivables.

Ageing of trade receivables that are neither past nor due:		
1 - 180 days	131,400,431	140,193,790
Ageing of trade receivables that are past due:		
1 -180 days	639,586	430,656
181 - 365 days	89,060	615,596
366 days and above	3,618,978	3,525,352
	135,748,055	144,765,394

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.

	2022	2021
Expected credit loss rate	2.58%	2.42%
Estimated total gross carrying amount at default	135,748,055	144,765,394
Amounts not past due	131,400,431	140,193,790
Lifetime expected credit loss	3,500,523	3,500,523
Net carrying amount	132,247,532	141,264,871

The movements in the allowance for expected credit loss as at the reporting date is as follows:

Balance at the beginning of the year	3,500,523	3,096,353
Add: Charge during the year (note 24)	-	661,050
Less: Written off during the year	-	(256,880)
Balance at the end of the year	3,500,523	3,500,523

11 Advances, deposits and other receivables

Prepayments	1,625,167	1,306,367
Guarantee deposits	186,785	187,000
Advances to suppliers	54,498,707	15,755,477
Staff loans and advances	166,940	85,622
VAT receivable - net	-	2,850,929
Other receivables	934,534	1,147,987
Less: Impairment of other receivables	(900,000)	(900,000)
	56,512,133	20,433,382

12 Cash and bank balances

	2022	2021
Cash in hand	**23,172**	32,996
Cash at banks	**492,487**	807,445
	515,659	840,441

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

Name of shareholders	Nationality	Percentage	No. of shares	2022	2021
Mr. Ali Ahmed Saleh Shujaa Alafeefi	U.A.E.	51	153	**153,000**	153,000
M/s. Jindal Saw Middle East FZE (Represented by Mr. Anil Kumar Kejriwal)	U.A.E.	49	147	**147,000**	147,000
		100	300	**300,000**	300,000

14 Accumulated (losses)

	2022	2021
Balance at the beginning of the year	**(94,951,733)**	(140,209,157)
Profit for the year	**18,769,629**	45,257,424
Balance at the end of the year	**(76,182,104)**	(94,951,733)

15 Shareholder's current account

	2022	2021
Balance at the beginning of the year	**348,527,056**	363,965,284
Net movements during the year	**110,414,069**	(15,438,228)
Balance at the end of the year	**458,941,125**	348,527,056

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).

16 Employees' end of service benefits

	2022	2021
Balance at the beginning of the year	**4,202,141**	3,783,077
Add: Charge for the year	**1,061,071**	831,535
Less: Paid during the year	**(675,635)**	(412,471)
Balance at the end of the year	**4,587,577**	4,202,141

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.

17 Lease liabilities

	2022	2021
Balance at the beginning of the year	**150,075,199**	172,666,314
Add: interest charged during the year (note 25)	**8,612,064**	9,781,453
Add: Additions during the year	**4,319,378**	-
Less: payments during the year	**(31,893,139)**	(32,372,568)
Balance at the end of the year	**131,113,502**	150,075,199

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:

	2022	2021
Current portion	**24,552,757**	21,407,208
Non-current portion	**106,560,745**	128,667,991
	131,113,502	150,075,199

Maturity profile of lease payments

March 31, 2022	**Within 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
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**
March 31, 2021				
Lease payments - undiscounted	30,393,139	96,572,557	75,054,529	202,020,225
Less: Finance charges	(8,536,503)	(20,657,225)	(22,751,298)	(51,945,026)
Net present value	21,856,636	75,915,332	52,303,231	150,075,199

	For the year ended March 31,	
	2022	2021
Amounts recognised in statement of profit or loss:		
Interest on lease liabilities (note 25)	**8,612,064**	9,781,453
Depreciation expense (note 6)	**25,284,251**	25,365,455
Expenses related to short term leases	**242,498**	147,954
Net impact for the year	**34,138,813**	35,146,908
Amounts recognised in statement of cash flows:		
Total cash outflows (net) for leases	**31,650,641**	32,224,614

18 Trade and other payables

	2022	2021
Trade payables	**45,810,902**	52,119,211
Provisions and accruals	**25,092,604**	15,122,828
Advances received from customers	**827,098**	3,244,850
Other payables	**2,660,518**	2,733,474
VAT payable - net	**284,374**	
	74,675,496	73,220,363

19 Bank borrowings

	2022	2021
a) Due to banks		
Trust receipts	-	2,168,216

Bank borrowings are secured by:

i) Corporate guarantee of M/s. Jindal Saw Middle East FZE, Fujairah - U.A.E. and M/s. Jindal Saw Limited - India.

ii) Assignment of all risks insurance policy covering inventories and property, plant and equipment of M/s. Jindal Saw Middle East FZE, Fujairah - U.A.E. and M/s. Jindal Saw Gulf L.L.C., Abu Dhabi - U.A.E.

iii) Commercial mortgage over assets of the Entity and M/s. Jindal Saw Middle East FZE , Fujairah - U.A.E.

iv) Pledge over 49% equity interest of the Entity, held by M/s. Jindal Saw Middle East FZE, Fujairah - U.A.E.
v) Pledge over 100% equity shares of M/s. Jindal Saw Middle East FZE, Fujairah - U.A.E. held by M/s. Jindal Saw Holdings FZE, Fujairah - United Arab Emirates. As on the reporting date, the legalisation process for pledging of additional 25% equity shares of the Entity held by M/s. Jindal Saw Holdings FZE, Fujairah - United Arab Emirates is in progress.

vi) Subordination of shareholder's current account.

vii) Assignment of leasehold rights.

Comprising:		
Current portion		
Due to banks	-	2,168,216

	For the year ended March 31,	
	2022	2021
20 Revenue		
Revenue from contracts with customers	**866,013,722**	765,996,199

20.1 Disaggregated revenue information

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

Segments		
Sale of pipes	**866,013,722**	765,996,199
Total revenue from contracts with customers	**866,013,722**	765,996,199
Geographical markets		
Sales - Outside U.A.E.	**561,741,570**	613,422,373
- Within U.A.E.	**304,272,152**	152,573,826
Total revenue from contracts with customers	**866,013,722**	765,996,199
Timing of revenue recognition		
Goods transferred at a point in time	**866,013,722**	765,996,199
Total revenue from contracts with customers	**866,013,722**	765,996,199

20.2 Performance obligations

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

Sale of pipes

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,	
21	**Cost of revenue**	**2022**	**2021**
	Cost of goods manufactured		
	Balance at the beginning of the year - raw materials, spares and consumables	**102,572,530**	67,139,204
	Add: Purchases	**657,538,287**	418,015,554
	Less: Balance at the end of the year - raw materials, spares and consumables (note 8)	**(179,499,157)**	(102,572,530)
	Raw material consumed	**580,611,660**	382,582,228
	Utilities	**40,699,827**	37,662,582
	Direct labour	**31,213,688**	34,488,904
	Manufacturing overhead	**33,221,338**	17,058,589
	Depreciation on property, plant and equipment (note 5)	**9,083,730**	12,707,661
	Depreciation on right-of-use assets (note 6)	**20,601,228**	20,601,227
	Manufacturing cost	**715,431,471**	505,101,191
	Balance at the beginning of the year - work-in-progress	**14,400,680**	18,707,061
	Less: Balance at the end of the year - work-in-progress (note 8)	**(18,358,456)**	(14,400,680)
	Cost of goods manufactured	**711,473,695**	509,407,572
	Balance at the beginning of the year - finished goods	**36,751,269**	57,912,846
	Less: Balance at the end of the year - finished goods (note 8)	**(31,503,088)**	(36,751,269)
		716,721,876	530,569,149
22	**Other income**		
	Scrap sales	**679,403**	48,237
	Reversal of trade payables and provisions	**1,154,696**	-
	Foreign exchange gain	-	-
	Gain on sale of property, plant and equipment	-	353,330
	Miscellaneous income	**318,111**	363,015
		2,152,210	764,582
23	**Selling and distribution expenses**		
	Distribution cost	**58,165,670**	64,122,363
	Advertisement and marketing	**11,479,781**	8,835,946
	Commission on sales	**21,200,153**	73,218,167
		90,845,604	146,176,476

	For the year ended March 31,	
	2022	2021
24 Administrative expenses		
Salaries and related benefits	**7,803,422**	8,622,226
Legal, visa, professional and related expenses	**1,330,928**	1,504,484
Travelling and conveyance	**60,057**	40,642
Repairs and maintenance	**141,679**	356,475
Utilities	**1,258,758**	1,164,822
Telephone and communications	**363,435**	360,058
Depreciation on property, plant and equipment (note 5)	**3,188,185**	2,570,003
Depreciation on right-of-use assets (note 6)	**4,683,023**	4,764,228
Amortization on intangible assets (note 7)	**194,886**	209,545
Allowance for expected credit loss (note 10)	-	661,050
Impairment of other receivables	-	450,000
Insurance	**868,723**	547,075
Loss on sale of property, plant and equipment	**898,208**	-
Foreign exchange loss	**152,855**	520,106
Others	**468,801**	432,528
	21,412,960	22,203,242
25 Finance costs		
Interest*	**9,101,646**	7,786,024
Bank charges	**2,702,153**	4,987,013
Interest on lease liabilities (note 17)	**8,612,064**	9,781,453
	20,415,863	22,554,490

* The above includes AED 5,835,170 (2021: AED 5,672,983) being interest paid to shareholder (M/s. Jindal Saw Middle East FZE) for the use of working capital facilities during the year (note 9) and AED 947,879 (2021: AED: 619,922) being interest accrued on loan from a related party.

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,	
	2022	2021	**2022**	2021
Financial assets	Carrying amount		Fair value	
Trade receivables	**132,247,532**	141,264,871	**132,247,532**	141,264,871
Other receivables	**388,259**	3,371,538	**388,259**	3,371,538
Due from related parties	**27,445,728**	13,525,683	**27,445,728**	13,525,683
Cash and bank balances	**515,659**	840,441	**515,659**	840,441
	160,597,178	159,002,533	**160,597,178**	159,002,533

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,	
	2022	2021	2022	2021
Financial liabilities	**Carrying amount**		Fair value	
Bank borrowings	**-**	2,168,216	-	2,168,216
Trade and other payables	**73,848,398**	69,975,513	73,848,398	69,975,513
Due to related parties	**43,237,506**	35,951,836	43,237,506	35,951,836
Long term loans from a related party	**20,434,542**	19,486,663	20,434,542	19,486,663
Lease liabilities	**131,113,502**	150,075,199	131,113,502	150,075,199
	268,633,948	277,657,427	268,633,948	277,657,427

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 bank borrowings, 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	
	2022	2021	**2022**	2021
Bank balances				
Euro	**8,908**	6,359	**36,126**	27,412
SAR	**48,386**	80,769	**47,370**	79,052
BHD	**779**	3,077	**7,598**	29,794
Trade receivables				
Euro	**560,785**	52,055	**2,359,530**	224,393
SAR	**661,853**	16,558,766	**648,331**	16,206,727
BHD	**1,865,598**	873,414	**18,172,873**	8,457,067
Due to related parties				
Euro	**207,754**	29,129	**936,442**	130,648
Trade and other payables				
Euro	**26,353**	248,914	**110,882**	1,072,991
SAR	**133,629**	424,364	**130,823**	415,342
GBP	**1,812**	-	**8,743**	-
INR	**687,069**	61,923	**33,217**	3,109
KWD	**4,011**	-	**48,435**	-
AUD	-	47,304	-	131,935

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	
	2022	2021
	(AED)	(AED)
Euro	**134,833**	(95,183)
SAR	**56,488**	1,587,044
BHD	**1,818,047**	848,686
GBP	**(874)**	-
INR	**(3,322)**	(311)
KWD	**(4,844)**	
AUD	-	(13,194)
	2,000,329	2,327,042

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 financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the 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, 2022				
Financial assets							
Trade receivables	-	-	-	-	132,247,532	-	132,247,532
Other receivables	-	-	-	-	388,259	-	388,259
Due from related parties	-	-	-	-	27,445,728	-	27,445,728
Cash and bank balances	-	-	-	515,659	-	-	515,659
	-	-	-	515,659	160,081,519	-	160,597,178
Financial liabilities							
Trade and other payables	-	-	-	-	73,848,398	-	73,848,398
Due to related parties	-	-	-	-	43,237,506	-	43,237,506
Long term loans 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	-	117,085,904	16,113,949	268,633,948

27 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, 2021				
Financial assets							
Trade receivables	-	-	-	-	141,264,871	-	141,264,871
Other receivables	-	-	-	-	3,371,538	-	3,371,538
Due from related parties	-	-	-	-	13,525,683	-	13,525,683
Cash and bank balances	-	-	-	840,441	-	-	840,441
	-	-	-	840,441	158,162,092	-	159,002,533
Financial liabilities							
Bank borrowings	-	2,168,216	-	-	-	-	2,168,216
Trade and other payables	-	-	-	-	69,975,513	-	69,975,513
Due to related parties	-	-	-	-	35,951,836	-	35,951,836
Long term loan from a related party	-	-	4,320,593	-	-	15,166,070	19,486,663
Lease liabilities	583,851	20,823,357	128,667,991	-	-	-	150,075,199
	583,851	22,991,573	132,988,584	-	105,927,349	15,166,070	277,657,427

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

	As at March 31,	
29 Contingent liabilities	**2022**	2021
Letters of credit	-	304,744
Corporate guarantee	**3,720,591**	5,168,297
Letters of guarantee	-	19,812,170

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

30 Commitments	As at March 31,	
	2022	2021
Commitment towards purchase of property, plant and equipment (note 5)	**9,055,583**	2,473,425

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.