

ASI Global Ltd.

Port Louis (Mauritius)

**Financial Statements &
Independent Auditor's Report
for the year ended March 31, 2022**

ASI Global Ltd.
Port Louis (Mauritius)

Financial Statements for the year ended March 31, 2022
Index of Contents

| Contents | Page nos. |
|---|------------------|
| Directors' Report | 1 - 2 |
| Independent Auditor's Report | 3 - 5 |
| Statement of Financial Position as at March 31, 2022 | 6 |
| Statement of Comprehensive Income for the year ended March 31, 2022 | 7 |
| Statement of Changes in Equity for the year ended March 31, 2022 | 8 |
| Statement of Cash Flows for the year ended March 31, 2022 | 9 |
| Notes to the Financial Statements | 10 - 22 |

Directors' Report

The directors of the Company present this report along with the financial statements of ASI Global Ltd. for the year ended March 31, 2022.

Legal status and shareholder:

ASI Global Ltd. is incorporated and registered as a Private Limited Company under the Companies Act 2001 (Act no. 15 of 2001) with Registrar of Companies, Port Louis (Mauritius) under registration no. 123039.

The shareholder of the Company as on reporting date & its interest on that date in the share capital of the Company was as follows:

| Sr. No. | Shareholder | Country of incorporation | Shares | Amount (USD) | % |
|---------|----------------------------|--------------------------|------------------|------------------|----------------|
| 1. | M/s ASI Industries Limited | India | 4,150,000 | 4,150,000 | 100.00% |
| | Total | | 4,150,000 | 4,150,000 | 100.00% |

Operations of the Company:

The Company is licensed to carry on the activities of any legal business and during the year under review, it has earned other income by way of interest on fixed deposits.

The financial highlights of the Company are as below:

| | <u>2021-22</u> | <u>2020-21</u> |
|------------------------|----------------|----------------|
| | USD | USD |
| Revenue & other income | 82 | 236 |
| Net (loss) | (3,220,129) | (22,317) |
| Total liabilities | 4,663,212 | 4,192,037 |
| Equity | 344,101 | 3,564,230 |

The Company has accumulated losses of USD 3,805,899/- which exceeds 50% of its share capital & has a equity of USD 344,101/- as at reporting date which raises significant doubt about the Company's ability to continue as a going concern. The Company's future operations is dependent on it generating sufficient revenue, earning operating profits, having positive cash flows and adequate infusion of funds by the shareholder. The management has decided, resolved and assured that the Company would continue its operations and shareholder has confirmed that necessary financial assistance will be provided to the Company. Hence the financial statements have been prepared on a going concern basis.

Results & dividend:

Net loss for the year amounted to USD 3,220,129/- (previous year incurred net loss of USD 22,317/-).

Current year net loss and opening balance of accumulated losses are proposed to be carried forward to be set off against future net profits.

Management's responsibilities & acknowledgements:

We confirm that management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), Mauritius Companies Act 2001 (Act no. 15 of 2001) and the applicable provisions of the Memorandum of Association of the Company.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The independent members of the Board state that there are ~~no material uncertainties~~ which would make the going concern assumption inappropriate.

Events occurring after the reporting date:

There were no important events **occurring** after the reporting date that would materially affect the working or the financial position of the Company.

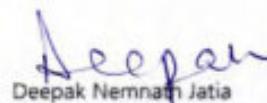
Auditors:

The Company's auditors, M/s Kothari ~~Auditors & Accountants~~, Sharjah (U.A.E) are retiring at the end of the annual general meeting of the shareholder and being eligible have expressed their willingness to be re-appointed. A resolution to re-appoint them for the year 2022-23 and to fix their remuneration would be put up before the shareholder at the annual general meeting.

For ASI Global Ltd.



Kusuma Jatia
Directors



Deepak Nemnath Jatia

May 13, 2022

Port Louis, Mauritius

Independent Auditor's Report

To the shareholder of
ASI Global Ltd.
Port Louis (Mauritius)

Opinion:

We have audited the financial statements of ASI Global Ltd. (the Company), which comprise the statement of financial position as at March 31, 2022, and the statement of comprehensive income, statement of changes in equity and 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 Company as at March 31, 2022, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) applied on a consistent basis.

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 Company in accordance with the 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.

Emphasis of matter:

Without qualifying our opinion we draw your attention to the following:

- The Company has accumulated losses of USD 3,805,899/- which exceeds 50% of its share capital & has a equity of USD 344,101/- as at reporting date which raises significant doubt about the Company's ability to continue as a going concern. The Company's future operations is dependent on it generating sufficient revenue, earning operating profits, having positive cash flows and adequate infusion of funds by the shareholders. The management has decided, resolved & assured that the Company would continue its operations & shareholder has confirmed that necessary financial assistance will be provided to the Company. We have relied on the representation by the Company's management, which represented that considering the revenue visibility and financial support confirmation to infuse additional funds as and when required, the Company is confident of continuing as a going concern.
- Investment in subsidiary has been stated at cost less impairment. Management has represented that impairment of AED 2,974,838/- is sufficient to cover future losses, if any.
- Amount due from related party has been stated at cost less impairment. Management has represented that impairment of USD 200,000/- is sufficient to cover future losses, if any.
- These financial statements of the Company are prepared on stand-alone basis and consolidated financial statements are issued separately on May 13, 2022 (Ref: S/RP-3456/2022).

Responsibilities of management and those charged with governance for the financial statements:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), Mauritius Companies Act 2001 (Act no. 15 of 2001) and the applicable provisions of the Memorandum of Association of the Company 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.



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Independent Auditor's Report (continued)

To the shareholder of

ASI Global Ltd.

Port Louis (Mauritius)

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 a part of our audit in accordance with the International Standards on Auditing, we exercise professional judgment 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 Company'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 Company'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 Company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.



Independent Auditor's Report (continued)

To the shareholder of

ASI Global Ltd.

Port Louis (Mauritius)

Report on other legal and regulatory requirements:

Further we report that:

- We have obtained all the information we considered necessary for the purpose of our audit.
- The financial statements have been prepared and comply, in all material respects, with the provisions of the Mauritius Companies Act 2001 (Act no. 15 of 2001) and the applicable provisions of the Memorandum of Association of the Company.
- The Company has maintained proper books of accounts and the financial statements are in agreement therewith.
- The financial information included in the Directors' Report is consistent with the books of accounts and records of the Company.
- Investment in subsidiary as on March 31, 2022 is disclosed in note no. 5 to the financial statements.
- Note no. 4.1 to the financial statements discloses material related party transactions, and the terms under which they were conducted.
- Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened, during the financial year ended March 31, 2022, any of the provisions of the Mauritius Companies Act 2001 (Act no. 15 of 2001) and the applicable provisions of the Memorandum of Association of the Company which would materially affect its activities or its financial position as at March 31, 2022.

Vipul R.

Kothari Vipul R.

Ministry of Economy Registration No. 159

Kothari Auditors & Accountants

May 13, 2022

Sharjah, United Arab Emirates

Ref: S/RP-3450/2022



ASI Global Ltd.
Port Louis (Mauritius)

Statement of Financial Position as at March 31, 2022

| Particulars | Note no. | 2021-22 | 2020-21 |
|--|----------|-------------------------|-------------------------|
| | | USD | USD |
| Assets | | | |
| Non-current assets | | | |
| Investment in subsidiary | 5 | 2,974,837 | 5,949,675 |
| Amount due from related party | 6 | 1,729,134 | 1,509,546 |
| | | <u>4,703,971</u> | <u>7,459,221</u> |
| Current assets | | | |
| Other financial assets | 7 | 27,606 | 177,512 |
| Cash and bank balances | 8 | 275,736 | 119,419 |
| | | <u>303,342</u> | <u>297,041</u> |
| Total assets employed | | <u>5,007,313</u> | <u>7,756,262</u> |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 9 | 4,150,000 | 4,150,000 |
| Reserves & surplus | 10 | <u>(3,805,899)</u> | <u>(505,771)</u> |
| Equity | | 344,101 | 3,564,229 |
| Non-current liabilities | | | |
| Amount due to related party | 11 | 471,175 | " |
| Loans & advances from others | 12 | <u>4,187,535</u> | <u>4,187,111</u> |
| | | 4,658,710 | 4,187,111 |
| Current liabilities | | | |
| Provisions, accruals and other liabilities | 13 | <u>4,502</u> | <u>1,022</u> |
| | | 4,502 | 1,022 |
| Total liabilities | | <u>4,663,212</u> | <u>4,192,037</u> |
| Total equity and liabilities | | <u>5,007,313</u> | <u>7,756,262</u> |

The attached note nos. 1 - 13 form an integral part of these financial statements.

Auditor's report is on page nos. 3 - 5. The Board of Directors have approved & authorized the directors for the issuance of these financial statements on May 13, 2022.

For ASI Global Ltd.


Ananya Jatia
Director


Deepak Nemnath Jatia

ASI Global Ltd.

Port Louis (Mauritius)

Statement of Comparative Income Statement for the year ended March 31, 2022

| Particulars | Account no. | 2021-22 | 2020-21 |
|--------------------------------|-------------|---------------------------|------------------------|
| | | USD | USD |
| Revenue | | 0 | 0 |
| Other income | 4 | 82 | 236 |
| Administrative costs | 55 | (24,196) | (23,596) |
| Finance costs | 56 | (21,170) | 0 |
| Other expenses | 57 | <u>(3,174,856)</u> | <u>0</u> |
| Net (loss) for the year | | <u>(3,220,129)</u> | <u>(22,317)</u> |

The attached note nos. 4 & 5 form an integral part of these financial statements.

Auditor's report is on page nos. 3 & 4. The Board of Directors have approved & authorized the directors for the issuance of these financial statements on May 13, 2022.

for ASI Global Ltd.



Tanya Jatia
Directors



Deepak Nemnath Jatia

ASI Global Ltd.
Port Louis (Mauritius)

Statement of Changes in Equity for the year ended March 31, 2022

| Particulars | Amount in U.S. Dollars (USD) | | |
|----------------------------------|------------------------------|---------------------------|-------------------------|
| | Share capital | Accumulated (losses) | Total |
| Balance at March 31, 2020 | 4,150,000 | (563,453) | 3,586,547 |
| Net (loss) for the year | 0 | (22,317) | (22,317) |
| Net movement | <u>0</u> | <u>0</u> | <u>0</u> |
| Balance at March 31, 2021 | <u>4,150,000</u> | <u>(585,770)</u> | <u>3,564,230</u> |
| Net (loss) for the year | 0 | (3,220,129) | (3,220,129) |
| Net movement | <u>0</u> | <u>0</u> | <u>0</u> |
| Balance at March 31, 2022 | <u>4,150,000</u> | <u>(3,805,899)</u> | <u>344,101</u> |

The attached note nos. 1 - 19 form an integral part of these financial statements.

Auditor's report is on page nos. 3 - 5.

ASI Global Ltd.
Port Louis (Mauritius)

Statement of Cash Flows for the year ended March 31, 2022

| Particulars | Note no. | 2021-22 USD | 2020-21 USD |
|---|----------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net (loss) for the year | | (3,220,129) | (22,317) |
| Adjustments for: | | | |
| Finance income | | (82) | (236) |
| Finance costs | | 21,175 | 0 |
| Impairment of investment in subsidiary | | 2,974,838 | 0 |
| Impairment of investment in amount due from related party | | <u>200,000</u> | <u>0</u> |
| Operating cash flows before changes in working capital | | (24,198) | (22,553) |
| Working capital changes: | | | |
| Movement in provisions, accruals & other liabilities | | <u>0</u> | <u>(2,365)</u> |
| Net cash (used in) operating activities | | (24,198) | (24,918) |
| Cash flows from investing activities: | | | |
| Movement in other financial assets | | 149,942 | (71,775) |
| Finance income | | 82 | 236 |
| Movement in amount due from related party | | <u>(419,588)</u> | <u>101,765</u> |
| Net cash (used in)/generated from investing activities | | (269,564) | 30,226 |
| Cash flows from financing activities: | | | |
| Movement in loans & advance from others | | 0 | (500,000) |
| Movement in amount due to related party | | 471,175 | 0 |
| Finance costs | | <u>(21,175)</u> | <u>0</u> |
| Net cash generated from/(used in) financing activities | | 450,000 | (500,000) |
| Net movement in cash and cash equivalents | | 156,238 | (494,692) |
| Cash and cash equivalents at beginning of the year | | <u>119,498</u> | <u>614,190</u> |
| Cash and cash equivalents at end of the year | 8 | <u>275,736</u> | <u>119,498</u> |

The attached note nos. 1 - 19 form an integral part of these financial statements.
Auditor's report is on page nos. 3 - 5.

ASI Global Ltd.
Port Louis (Mauritius)

Notes to the Financial Statements for the year ended March 31, 2022

1. Status and activity:

ASI Global Ltd. is incorporated and registered as a Private Limited Company under the Companies Act 2001 (Act no. 15 of 2001) with Registrar of Companies, Port Louis (Mauritius) under registration no. 123039.

The shareholder of the Company as on reporting date & its interest on that date in the share capital of the Company was as follows:

| Sr. No. | Shareholder | Country of incorporation | Shares | Amount (USD) | % |
|---------|----------------------------|--------------------------|------------------|------------------|----------------|
| 1. | M/s ASI Industries Limited | India | 4,150,000 | 4,150,000 | 100.00% |
| | Total | | 4,150,000 | 4,150,000 | 100.00% |

The principal place of business & registered address of the Company is VA Global Business Ltd, Office 113, 2nd floor, Medline Mews, Chaussee street, Port Louis (Mauritius).

The Company is licensed to carry on the activities of any legal business and during the year under review, it has earned other income by way of interest on fixed deposits.

2. Basis of preparation:

2.1. Statement of compliance:

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), & Interpretations issued by International Accounting Standards Board (IASB), International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC).

2.2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.2.1. New and amended IFRS standards that are effective for the current year:

The following new and revised IFRSs, which became effective for annual periods beginning on or after April 01, 2021, have been adopted in these financial statements:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to phase 2 of interest rate benchmark reforms.
- Amendments to IFRS 16 Leases relating to Covid-19 Related Rent Concessions.
- Amendments to IAS 16 Property, plant and equipment relating to proceeds before intended use.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets relating to onerous contracts.
- Amendments to IFRS 3 Business Combinations relating to reference to conceptual framework.
- Annual improvements to IFRS standards 2018 – 2020 cycle relating to amendments to IFRS 1 first-time adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases.

However the above stated standards & amendments do not have any material impact on the Company's financial statements as at March 31, 2022 but may affect the accounting for future transactions or arrangements.

ASI Global Ltd.
Port Louis (Mauritius)

Notes to the Financial Statements for the year ended March 31, 2022 (continued)

2.2.2. Relevant new and amended standards issued but not yet effective for the year ended March 31, 2022

A number of new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after April 01, 2021 and have not been early applied in preparing these financial statements.

| Standard/Interpretation | Effective date |
|--|-----------------------|
| • Amendments to IAS 8 Accounting policies, Changes in accounting estimates and errors | January 01, 2023 |
| • Amendments to IAS 1 Presentation of Financial Statements relating to classification of liabilities as current or non-current | January 01, 2023 |
| • IFRS 17 Insurance Contracts and Amendments to IFRS 17 Insurance Contracts | January 01, 2023 |
| • Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 for disclosure of accounting policies | January 01, 2023 |

The new or amended Accounting Standards and Interpretations listed above are not mandatory for March 31, 2022 reporting period and have not been early adopted by the Company. These are not expected to have a material impact on the financial statements of the Company in the current or future reporting periods and on foreseeable future transactions.

2.3. Basis of measurement:

These financial statements have been prepared under the going concern assumption and historical cost convention.

The Company has accumulated losses of USD 3,805,899/- which exceeds 50% of its share capital & has a equity of USD 344,101/- as at reporting date which raises significant doubt about the Company's ability to continue as a going concern. The Company's future operations is dependent on it generating sufficient revenue, earning operating profits, having positive cash flows and adequate infusion of funds by the shareholder. The management has decided, resolved and assured that the Company would continue its operations and shareholder has confirmed that necessary financial assistance will be provided to the Company. Hence the financial statements have been prepared on a going concern basis.

2.4. Basis of accounting and coverage:

The Company follows the accrual basis of accounting except for statement of cash flows which is presented on cash basis. Under the accrual basis, the transactions and events are recognized as and when they occur and are recorded in the financial statements for the period to which they relate to.

The financial statements enclosed cover the period from April 01, 2021 to March 31, 2022. Previous year figures are for the period from April 01, 2020 to March 31, 2021 and have been regrouped where necessary.

2.5. Functional & presentation currency:

The financial statements are presented in United States Dollars (USD), which is also the Company's functional currency. All financial information presented in USD has been rounded off to the nearest U.S. Dollar (USD).

ASI Global Ltd.
Port Louis (Mauritius)

Notes to the Financial Statements for the year ended March 31, 2022 (continued)

2.6. Use of estimates & judgments:

The preparation of financial statements in conformity with IFRSs requires management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected & same are mentioned under respective accounting policy note.

The following accounting estimates and management judgments which are material in nature, have been considered, in the preparation of financial statements.

- Impairment of investments:

Management determines at each reporting date whether there is any objective evidence that the investments are impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in the statement of comprehensive income. Management has represented that reserve for impairment created against investments is sufficient to cover for doubtful losses if any.

- Impairment of amount due from related party:

Amount due from related party are subjected to recoverability test on a periodical basis when realization of full amount is no longer probable. Amount due from related party are verified for ageing, subsequent recoverability & balance confirmations & estimated reserve for impairment of amount due from related party is created if same is outstanding for beyond normal agreed terms & doubtful. Management has represented that reserve for impairment created against amount due from related party is sufficient to cover for doubtful losses if any.

- Allowance for expected credit loss:

The Company recognises a loss allowance of expected credit loss (herein after 'ECL') on financial assets measured at amortised cost. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company has accounts receivable (and contract assets, if applicable) under the impairment scope of IFRS 9, as there is no significant financing component, the Company's accounting policy choice is the simplified approach. The ECL is estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the accounts receivable (and contract assets, if applicable), general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

3. Summary of significant accounting policies:

The following accounting policies have been consistently applied by the management in preparation of the financial statements except where stated here under:

ASI Global Ltd.
Port Louis (Mauritius)

Notes to the Financial Statements for the year ended March 31, 2022 (continued)

3.1. Current and non-current classification:

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

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- 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.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

3.2. Property, plant and equipment:

The Company did not have any property, plant & equipment during the year under review.

3.3. Investment in subsidiary:

Investment in subsidiary represents investment by the Company, to enhance the Company's business interest or to effectively utilize the surplus resources. Investments are classified as either long term or short-term, based on the intention of the management, at the time of their purchase. Investment in subsidiary represents amount invested in 9,900 equity shares (i.e 99.00% beneficial ownership) of M/s Al Rawasi Rock & Aggregate LLC, Fujairah (U.A.E.). Out of 99.00% beneficial ownership, 48.00% are legally owned by the Company and remaining 51.00% though legally owned by Fujairah International Trading Co. LLC, Fujairah (U.A.E.), are beneficially owned by the Company vide management and trust agreement dated 27th October 2014. Investment in subsidiary is stated at cost less impairment.

3.4. Financial instruments:

The Company recognizes a financial instrument (being a financial asset or financial liability) only when the Company becomes a part of the contractual provisions of the instrument. Accounting policy relevant to each type of financial instrument is as follows:

a. Cash & cash equivalents:

Cash and cash equivalents for the purpose of cash flow statement comprises balance with banks in current accounts.

ASI Global Ltd.
Port Louis (Mauritius)

Notes to the Financial Statements for the year ended March 31, 2022 (continued)

b. Other financial assets:

Other financial assets are recognised initially at transaction value and subsequently measured at amortised cost using the effective interest method less impairment. However, all other financial assets have a value on realization in the ordinary course of the Company's business, which is at least equal to the amount at which they are stated in the statement of financial position.

c. Other financial liabilities:

Other financial liabilities, including borrowings if any, are initially measured at transaction value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is derecognised either when:

- the rights to receive cash flows from the asset have expired or
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and the Company intends to settle on a net basis.

3.5. Impairment of non-financial assets:

At each reporting date, the Company reviews the carrying amounts of its non-financial 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 impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

ASI Global Ltd.
Port Louis (Mauritius)

Notes to the Financial Statements for the year ended March 31, 2022 (continued)

3.6. Impairment of financial assets:

An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. A financial asset or a group of financial assets is deemed to be impaired if and only if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of asset (an incurred "loss event") and that loss event (events) has an impact on the estimated future cash flows of the financial assets or the group of financial assets that can be reliably estimated.

If such evidence exists, any impairment loss is recognised in the statement of comprehensive income. Impairment is determined as follows.

- For assets carried at fair value, impairment is the difference between the cost and fair value less any impairment loss previously recognised in the statement of comprehensive income.
- For assets carried at cost, impairment is the difference between the carrying amount and the present value of future cash flows discounted at the current market rate of return for a similar asset.
- For assets carried at amortized cost, impairment is the difference between carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the financial asset no longer exist or have decreased and the decrease can be related objectively to an event occurring after the impairment was recognised.

3.7. Provisions & contingencies:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of economic benefits would be required to settle these obligations, and a reliable estimate of the same can be made. Contingent liabilities are not recognized but are disclosed in the notes to financial statements. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When likelihood of outflow is remote, no provision or disclosure is made.

3.8. Revenue recognition:

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15 as under:

- Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

ASI Global Ltd.
Port Louis (Mauritius)

Notes to the Financial Statements for the year ended March 31, 2022 (continued)

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Other income represents interest on fixed deposit. Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective profit or interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.9. Expenditure:

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. Expenses are presented in the statement of comprehensive income, classified according to the function of expense.

3.10. Foreign currencies transactions:

Transactions in foreign currency, if any, are converted into functional currency at prevailing exchange rate on the date such transactions are entered into.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies which are stated at historical cost or fair value, are translated into functional currency at the exchange rates prevailing on the date of such transaction or the date of determination of fair value respectively.

Resultant loss or gain has been recognized in the statement of comprehensive income, in the year in which such assets are realized or liabilities are discharged.

ASI Global Ltd.
Port Louis (Mauritius)

Notes to the Financial Statements for the year ended March 31, 2022 (continued)

4. Other significant disclosures:

4.1. Related party transactions:

The Company enters into transactions with another Company/person that fall within the definition of a related party as per the International Financial Reporting Standards (IFRSs).

The terms of trade with such related parties are based on commercial terms & conditions agreed upon with them by the management.

Related parties with whom the Company had entered into transactions during the year under review comprise of the directors, parent company & subsidiary company as stated here under:

| <u>Name of the related parties</u> | <u>Control</u> | <u>Relation</u> |
|---|----------------|--------------------------|
| Mr. Tushya Jatia | Director | Key management personnel |
| Mr. Deepak Nemnath Jatia | Director | Key management personnel |
| M/s ASI Industries Limited, India | -- | Parent company |
| M/s Al Rawasi Rock & Aggregate LLC, Fujairah (U.A.E.) | -- | Subsidiary company |

During the year under review, following transactions were entered into with related parties:

| <u>Nature of transactions</u> | <u>2021-22</u> | <u>2020-21</u> |
|---|----------------|----------------|
| | <u>USD</u> | <u>USD</u> |
| Other transactions: | | |
| Interest on amount due to related party | 21,175 | 0 |

Amount due from related party:

Amount due from related party is long term in nature & is free of interest.

Amount due to related party:

Amount due to related party is long term in nature & carries interest @ 7.70% p.a.

4.2. Financial, capital risk management & fair value information:

Credit, liquidity & market rate risk:

Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations.

The Company's cash is placed with banks of repute.

The Company does not have any outstanding accounts receivable & consequently no risk on this account.

ASI Global Ltd.
Port Louis (Mauritius)

Notes to the Financial Statements for the year ended March 31, 2022 (continued)

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when it falls due. The table below summarises the maturity profile of the Company's financial liabilities on contractual undiscounted payments.

| Financial liabilities as on March 31, 2022 | Less than 6 months | 6 months to 1 year | More than 1 year | Total USD |
|--|-----------------------|-----------------------|---------------------|------------------|
| Loans & advances from others | 0 | 0 | 4,187,535 | 4,187,535 |
| Provisions, accruals & other liabilities | 4,502 | 0 | 0 | 4,502 |
| Amount due to related party | 0 | 0 | 471,175 | 471,175 |
| Total | 4,502 | 0 | 4,658,710 | 4,663,212 |

| Financial liabilities as on March 31, 2021 | Less than 6 months | 6 months to 1 year | More than 1 year | Total USD |
|--|-----------------------|-----------------------|---------------------|------------------|
| Loans & advances from others | 0 | 0 | 4,187,535 | 4,187,535 |
| Provisions, accruals & other liabilities | 4,502 | 0 | 0 | 4,502 |
| Total | 4,502 | 0 | 4,187,535 | 4,192,037 |

Market risk:

Market risk is the risk that changes in market prices, such as investment prices, interest rates and currency rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Interest rate risk:

Interest rate risk is the risk of variability in profit due to change in interest rates on interest bearing assets and interest bearing liabilities.

Amount due to related party carries interest @ 7.70% p.a. Fixed deposits carry interest @ 0.50% to 0.90% p.a. (previous year @ 0.50% to 1.15% p.a.).

Currency risk:

Currency risk faced by the Company is minimal as there are minimal foreign currency transactions. Most of the monetary assets and liabilities are denominated in United Arab Emirates Dirhams (AED) or in United States Dollar (USD), which is pegged to AED.

Other risks:

- Investment risk:

The Company is exposed to the risk of its investment in subsidiary not being recovered. As on the reporting date, the Company's investment in subsidiary have been tested for impairment.

4.3. Capital management:

The Company's policy is to maintain a strong capital base so as to maintain lender and creditor confidence and to sustain future development of the business. The Company is not subject to externally imposed capital restrictions.

ASI Global Ltd.
Port Louis (Mauritius)

Notes to the Financial Statements for the year ended March 31, 2022 (continued)

The Company has accumulated losses of USD 3,805,899/- which exceeds 50% of its share capital & has a equity of USD 344,101/- as at reporting date which raises significant doubt about the Company's ability to continue as a going concern. The Company's future operations is dependent on it generating sufficient revenue, earning operating profits, having positive cash flows and adequate infusion of funds by the shareholder. The management has decided, resolved and assured that the Company would continue its operations and shareholder has confirmed that necessary financial assistance will be provided to the Company. Hence the financial statements have been prepared on a going concern basis.

4.4. Fair value information:

Fair value represents the amount at which an asset could be exchanged or a liability settled in an arm's length transaction, between willing & knowledgeable parties. In respect of all the Company's financial assets viz cash & bank balances, receivables, advances, deposits, accrued income and liabilities viz dues to banks, payables, accruals and other non-current liabilities, in the opinion of the management, the book value approximates to their carrying value.

5. Investment in subsidiary:

| | <u>2021-22</u> | <u>2020-21</u> |
|--|--------------------|------------------|
| | <u>USD</u> | <u>USD</u> |
| Investment in subsidiary | 5,949,675 | 5,949,675 |
| Reserve for impairment of investment in subsidiary | <u>(2,974,838)</u> | <u>0</u> |
| | <u>2,974,837</u> | <u>5,949,675</u> |

Movement in reserve for impairment of investment in subsidiary is as follows:

| | <u>2021-22</u> | <u>2020-21</u> |
|--------------------------------------|------------------|----------------|
| | <u>USD</u> | <u>USD</u> |
| Balance at the beginning of the year | 0 | 0 |
| Provided for the year | <u>2,974,838</u> | <u>0</u> |
| Balance at the end of the year | <u>2,974,838</u> | <u>0</u> |

Investment in subsidiary represents amount invested in 9,900 equity shares (i.e 99.00% beneficial ownership) of M/s Al Rawasi Rock & Aggregate LLC, Fujairah (U.A.E.). Out of 99.00% beneficial ownership, 48.00% are legally owned by the Company and remaining 51.00% though legally owned by Fujairah International Trading Co. L.L.C, Fujairah (U.A.E.), are beneficially owned by the Company vide management and trust agreement dated 27th October 2014.

ASI Global Ltd.
Port Louis (Mauritius)

Notes to the Financial Statements for the year ended March 31, 2022 (continued)

6. Amount due from related party:

| | <u>2021-22</u> | <u>2020-21</u> |
|--|------------------|------------------|
| | <u>USD</u> | <u>USD</u> |
| Due from subsidiary company (Al Rawasi Rock & Aggregate LLC) | 1,929,134 | 1,509,546 |
| Reserve for impairment of amount due from subsidiary company | <u>(200,000)</u> | <u>0</u> |
| | <u>1,729,134</u> | <u>1,509,546</u> |

Movement in reserve for impairment of amount due from subsidiary company is as follows:

| | <u>2021-22</u> | <u>2020-21</u> |
|--------------------------------------|----------------|----------------|
| | <u>USD</u> | <u>USD</u> |
| Balance at the beginning of the year | 0 | 0 |
| Provided for the year | <u>200,000</u> | <u>0</u> |
| Balance at the end of the year | <u>200,000</u> | <u>0</u> |

Amount due from related party is long term in nature & free of interest.

7. Other financial assets:

| | <u>2021-22</u> | <u>2020-21</u> |
|--|----------------|----------------|
| | <u>USD</u> | <u>USD</u> |
| Fixed deposit - maturing after 3 months (including accrued interest) | <u>27,606</u> | <u>177,548</u> |
| | <u>27,606</u> | <u>177,548</u> |

Above fixed deposit represents amount placed in Bank of Baroda and the same is free of lien.

8. Cash and bank balances/Cash & cash equivalents:

| | <u>2021-22</u> | <u>2020-21</u> |
|---------------------------------------|----------------|----------------|
| | <u>USD</u> | <u>USD</u> |
| Balance with banks in current account | <u>275,736</u> | <u>119,498</u> |
| | <u>275,736</u> | <u>119,498</u> |

9. Share capital:

| | <u>2021-22</u> | <u>2020-21</u> |
|---------------|------------------|------------------|
| | <u>USD</u> | <u>USD</u> |
| Share capital | <u>4,150,000</u> | <u>4,150,000</u> |
| | <u>4,150,000</u> | <u>4,150,000</u> |

Share capital comprises of 4,150,000 fully paid equity shares of USD 1/- each (previous year 4,150,000 fully paid equity shares of USD 1/- each).

ASI Global Ltd.
Port Louis (Mauritius)

Notes to the Financial Statements for the year ended March 31, 2022 (continued)

10. Reserves & surplus:

| | <u>2021-22</u> | <u>2020-21</u> |
|----------------------|--------------------|------------------|
| | <u>USD</u> | <u>USD</u> |
| Accumulated (losses) | (3,805,899) | (585,770) |
| | <u>(3,805,899)</u> | <u>(585,770)</u> |

11. Amount due to related party:

| | <u>2021-22</u> | <u>2020-21</u> |
|-----------------------|----------------|----------------|
| | <u>USD</u> | <u>USD</u> |
| Due to parent company | 471,175 | 0 |
| | <u>471,175</u> | <u>0</u> |

Amount due to related party is long term in nature & carries interest @ 7.70% p.a.

12. Loans & advances from others:

| | <u>2021-22</u> | <u>2020-21</u> |
|------------------|------------------|------------------|
| | <u>USD</u> | <u>USD</u> |
| Loan from others | 4,187,535 | 4,187,535 |
| | <u>4,187,535</u> | <u>4,187,535</u> |

Loan from others is long term in nature & free of interest.

13. Provisions, accruals & other liabilities:

| | <u>2021-22</u> | <u>2020-21</u> |
|------------------|----------------|----------------|
| | <u>USD</u> | <u>USD</u> |
| Accrued expenses | 4,502 | 4,502 |
| | <u>4,502</u> | <u>4,502</u> |

14. Other income:

| | <u>2021-22</u> | <u>2020-21</u> |
|----------------------------|----------------|----------------|
| | <u>USD</u> | <u>USD</u> |
| Interest on fixed deposits | 82 | 236 |
| | <u>82</u> | <u>236</u> |

15. Administrative costs:

| | <u>2021-22</u> | <u>2020-21</u> |
|-------------------------|----------------|----------------|
| | <u>USD</u> | <u>USD</u> |
| Bank charges | 462 | 401 |
| Office & other expenses | 23,736 | 22,152 |
| | <u>24,198</u> | <u>22,553</u> |

ASI Global Ltd.
Port Louis (Mauritius)

Notes to the Financial Statements for the year ended March 31, 2022 (continued)

16. Finance costs:

| | <u>2021-22</u> | <u>2020-21</u> |
|---|----------------|----------------|
| | <u>USD</u> | <u>USD</u> |
| Interest on amount due to related party | 21,175 | 0 |
| | <u>21,175</u> | <u>0</u> |

17. Other expenses:

| | <u>2021-22</u> | <u>2020-21</u> |
|---|------------------|----------------|
| | <u>USD</u> | <u>USD</u> |
| Impairment of investment in subsidiary | 2,974,838 | 0 |
| Impairment of investment in amount due from related party | 200,000 | 0 |
| | <u>3,174,838</u> | <u>0</u> |

18. Contingent liabilities:

Except for ongoing business commitments against which no loss is expected, there has been no known contingent liability or commitments, as on reporting date.

19. Events occurring after the reporting date:

There were no significant events occurring after the reporting date that would materially affect the working or the financial statements of the Company.