Kothari
auditors & accountants

Al Rawasi Rock & Aggregate LLC

Post Box 2313
Fujairah (U.A.E.)

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

Kothari
auditors & accountants

Al Rawasi Rock & Aggregate LLC
Fujairah (U.A.E.)

Financial Statements for the year ended March 31, 2022
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Directors' Report

The directors of the Company present this report along with the financial statements of Al Rawasi Rock & Aggregate LLC for the year ended March 31, 2022.

Legal status and shareholders:

Al Rawasi Rock & Aggregate LLC is a Limited Liability Company registered with the Fujairah Municipality in the emirate of Fujairah (U.A.E.) under industrial license no. 80096 & federal registry no. 10028545.

The shareholders of the Company as on reporting date and their interest on that date in the share capital of the Company were as follows:

Sr. No.	Shareholders	Legal status	Shares	Amount (AED)	%
1.	M/s Fujairah International Trading Co. L.L.C	U.A.E. company	5,100	5,100,000	51.00%
2.	M/s ASI Global Ltd	Mauritius company	4,800	4,800,000	48.00%
3.	M/s ASI Industries Limited	Indian company	100	100,000	1.00%
	Total		**10,000**	**10,000,000**	**100.00%**

However investment in the Company has been contributed by the shareholders as stated below:

Sr. No.	Shareholders	Legal status	Shares	Amount (AED)	%
1.	M/s ASI Global Ltd	Mauritius company	9,900	9,900,000	99.00%
2.	M/s ASI Industries Limited	Indian company	100	100,000	1.00%
	Total		**10,000**	**10,000,000**	**100.00%**

Operations of the Company:

The Company is licensed to carry on the activity of sand and pebble mines operation – crushers. During the year under review it was principally engaged in the same activities.

The financial highlights of the Company are as below:

	2021-22	2020-21
	AED	AED
Revenue & other income	17,950,021	26,620,945
Gross (loss)/profit	(11,436,418)	5,818,987
Net (loss)/profit	(23,390,928)	286,931
Total liabilities	28,230,861	34,110,626
Equity	10,071,745	33,462,673

The Company's total liabilities are AED 28,230,861/- against equity of AED 10,071,745/- indicating high leverage 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 and assured that the Company would continue its operations and shareholders have 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 AED 23,390,928/- (previous year earned net profit of AED 286,931/-).

The Company is required under the provisions of the UAE Federal Law no. 2 of 2015 (as amended) on Commercial Companies to appropriate 10% of net profit to statutory reserve, every year, until the balance in reserve account reaches 50% of paid-up share capital.

In the event of net loss during the year, the Company has not appropriated any amount to statutory reserve, as permitted under the provisions of UAE Federal Law no. 2 of 2015 (as amended) on Commercial Companies.

A part of current year net loss is set off against opening balance of retained earnings & balance net loss are proposed to be carried forward as accumulated losses to be set off against future net profits.

Liquidity crunch:

The current liabilities exceed current assets by AED 385,317/-, thus indicating negative working capital & liquidity crunch. Despite this, the management has reviewed the Company's forecasted revenue, cash flows and cost structures and has concluded that liquid funds will be available to settle the liabilities when they become due and further, shareholders have confirmed that necessary financial assistance will be provided as and when required.

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), provisions of the UAE Federal Law no. 2 of 2015 (as amended) on Commercial Companies 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 Company's management further states 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 statements of the Company.

RRA
AL-RAWASI ROCK & AGGREGATE L.L.C
P.O. Box : 2313, Fujairah, United Arab Emirates
شركة الرواسي للأحجار (ذ.م.م.)
ص.ب : ٢٣١٣، الفجيرة الإمارات العربية المتحدة

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 shareholders 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 shareholders at the annual general meeting.

For Al Rawasi Rock & Aggregate LLC

Tanya Jatia   Deepak Nemnath Jatia

Directors

May 13, 2022

Fujairah, United Arab Emirates

Tel.: +971-7-2448225 Fax: +971-7-2448237 info@al-rawasi.ae ٠٩٧١-٧-٢٤٤٨٢٣٧ : فاكس ٠٩٧١-٧-٢٤٤٨٢٢٥ : هاتف

Independent Auditor's Report
To the shareholders of
Al Rawasi Rock & Aggregate LLC
Fujairah (U.A.E.)

Opinion:

We have audited the financial statements of Al Rawasi Rock & Aggregate LLC (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 & schedule 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 in Fujairah (U.A.E.), 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's total liabilities are AED 28,230,861/- against equity of AED 10,071,745/- indicating high leverage. Also, the current liabilities exceed current assets by AED 385,317/-, thus indicating negative working capital & liquidity crunch 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.
- Property, plant & equipment are stated at cost less depreciation and impairment. Management has represented that the impairment of AED 2,800,000/- is sufficient to cover future losses, if any.
- Accounts receivable of AED 4,107,982/- are outstanding for more than one year. However management has represented that same are recoverable & reserve for impairment of accounts receivable of AED 1,500,000/- is sufficient to cover doubtful debts if any.

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), provisions of the UAE Federal Law no. 2 of 2015 (as amended) on Commercial Companies 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.

كوثاري لتدقيق الحسابات Kothari Auditors & Accountants

كــوثـــاري لتـدقـيـق الحـسـابـات
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Kothari
auditors & accountants

Independent Auditor's Report (continued)
To the shareholders of
Al Rawasi Rock & Aggregate LLC
Fujairah (U.A.E.)

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.

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.

كوثاري لتدقيق الحسابات
Kothari Auditors & Accountants

Kothari
auditors & accountants

Independent Auditor's Report (continued)
To the shareholders of
Al Rawasi Rock & Aggregate LLC
Fujairah (U.A.E.)

Report on other legal and regulatory requirements:
Further, as required by the UAE Federal Law no. 2 of 2015 (as amended) on Commercial Companies 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 UAE Federal Law no. 2 of 2015 (as amended) on Commercial Companies 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.
- The Company has not purchased or invested in any shares during the financial year ended March 31, 2022.
- 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 UAE Federal Law no. 2 of 2015 (as amended) on Commercial Companies, 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.

Kothari Vipul R.
Ministry of Economy Registration No. 159
Kothari Auditors & Accountants

May 13, 2022
Sharjah, United Arab Emirates

Ref: S/RP-3440/2022

Kothari
auditors & accountants

Al Rawasi Rock & Aggregate LLC

Fujairah (U.A.E.)

Statement of Financial Position as at March 31, 2022

Particulars	Note no.	2021-22 AED	2020-21 AED
Assets:			
Non-current assets			
Property, plant & equipment	Sch 1	24,757,698	36,566,148
		24,757,698	36,566,148
Current assets			
Inventories	5	4,107,285	11,190,603
Deposits, prepayments & advances	6	153,855	273,144
Accounts receivable	7	9,135,358	18,747,899
Cash and bank balances	8	148,410	795,505
		13,544,908	31,007,151
Total assets employed		**38,302,606**	**67,573,299**
Equity and liabilities:			
Equity			
Share capital	9	10,000,000	10,000,000
Reserves & surplus	10	71,745	23,462,673
Equity		10,071,745	33,462,673
Non-current liabilities			
Amount due to related party	11	7,079,924	5,540,035
Loan from banks & financial institutions	12	0	31,286
Loans & advances from others	13	6,785,226	6,785,226
Employee end of service benefits	14	435,486	423,204
		14,300,636	12,779,751
Current liabilities			
Accounts payable	15	2,008,157	1,954,549
Provisions, accruals and other liabilities	16	11,889,454	14,284,111
Loan from banks & financial institutions	12	32,614	5,092,215
		13,930,225	21,330,875
Total liabilities		**28,230,861**	**34,110,626**
Total equity and liabilities		**38,302,606**	**67,573,299**

The attached note nos. 1 - 24 and schedule no. 1 form an integral part of these financial statements.

Auditor's report is on page nos. 4 - 6. The Board of Directors have approved & authorized the directors for the issuance of these financial statements on May 13, 2022.

For Al Rawasi Rock & Aggregate LLC

Tushar Jatia
Director

Deepak Nemnath Jatia

Al Rawasi Rock & Aggregate LLC
Fujairah (U.A.E.)

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

Particulars	Note no.	2021-22 AED	2020-21 AED
Revenue		17,943,621	26,573,383
Direct costs	17	(29,380,039)	(20,754,396)
Gross (loss)/profit		(11,436,418)	5,818,987
Other income	18	6,400	47,562
Selling & distribution costs	19	(5,812,874)	(2,363,269)
Administrative costs	20	(2,786,394)	(2,969,502)
Finance costs	21	(90,796)	(246,847)
Other expenses	22	(3,270,846)	0
Net (loss)/profit for the year		**(23,390,928)**	**286,931**

The attached note nos. 1 - 24 and schedule no. 1 form an integral part of these financial statements.
Auditor's report is on page nos. 4 - 6. The Board of Directors have approved & authorized the directors for the issuance of these financial statements on May 13, 2022.

For Al Rawasi Rock & Aggregate LLC

Tushya Jatia
Directors

Deepak Nemnath Jatia

Kothari
auditors & accountants

Al Rawasi Rock & Aggregate LLC
Fujairah (U.A.E.)

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

Amount in U.A.E. Dirhams (AED)

Particulars	Share capital	Statutory reserve	General reserve	Retained earnings/ Accumulated (losses)	Total
Balance at March 31, 2020	10,000,000	2,523,492	1,277,613	19,374,637	33,175,742
Net profit for the year	0	0	0	286,931	286,931
Transfer to statutory reserve	0	28,693	0	(28,693)	0
Net movement	0	0	0	0	0
Balance at March 31, 2021	**10,000,000**	**2,552,185**	**1,277,613**	**19,632,875**	**33,462,673**
Net (loss) for the year	0	0	0	(23,390,928)	(23,390,928)
Net movement	0	0	0	0	0
Balance at March 31, 2022	**10,000,000**	**2,552,185**	**1,277,613**	**(3,758,053)**	**10,071,745**

The attached note nos. 1 - 24 and schedule no. 1 form an integral part of these financial statements.
Auditor's report is on page nos. 4 - 6.

Al Rawasi Rock & Aggregate LLC
Fujairah (U.A.E.)

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

Particulars	Note no.	2021-22 AED	2020-21 AED
Cash flows from operating activities			
Net (loss)/profit for the year		(23,390,928)	286,931
Adjustments for:			
Depreciation on property, plant & equipment		7,868,225	5,347,918
Loss on disposal of property, plant & equipment		470,647	0
Impairment of property, plant & equipment		2,800,000	0
Impairment of accounts receivable		1,050,000	150,000
Finance costs		90,796	246,847
Employee end of service benefits provided		114,932	18,930
Operating cash flows before changes in working capital		**(10,996,328)**	**6,050,626**
Working capital changes:			
Movement in inventories		7,083,318	(967,775)
Movement in accounts receivable		8,562,541	(1,409,625)
Movement in deposits, prepayments & advances		119,289	494,818
Movement in accounts payable		53,608	139,117
Movement in provisions, accruals & other liabilities		(2,394,657)	(1,404,935)
Employee end of service benefits (paid)		(102,650)	(66,122)
Net cash generated from operating activities		**2,325,121**	**2,836,104**
Cash flows from investing activities:			
(Additions) to property, plant & equipment		(279,946)	(1,147,239)
Disposal of property, plant and equipment		949,524	20,517
Net cash generated from/(used in) investing activities		**669,578**	**(1,126,722)**
Cash flows from financing activities:			
Movement in amount due to related party		1,539,889	(373,476)
Movement in loan from banks & financial institutions		(5,090,887)	(2,470,428)
Finance costs		(90,796)	(246,847)
Net cash (used in) financing activities		**(3,641,794)**	**(3,090,751)**
Net movement in cash and cash equivalents		(647,095)	(1,381,369)
Cash and cash equivalents at beginning of the year		795,505	2,176,874
Cash and cash equivalents at end of the year	8	**148,410**	**795,505**

The attached note nos. 1 - 24 and schedule no. 1 form an integral part of these financial statements.
Auditor's report is on page nos. 4 - 6.

Al Rawasi Rock & Aggregate LLC
Fujairah (U.A.E.)

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

1. Status and activity:

Al Rawasi Rock & Aggregate LLC is a Limited Liability Company registered with the Fujairah Municipality in the emirate of Fujairah (U.A.E.) under industrial license no. 80096 & federal registry no. 10028545

The shareholders of the Company as on reporting date and their interest on that date in the share capital of the Company were as follows:

Sr. No.	Shareholders	Legal status	Shares	Amount (AED)	%
1.	M/s Fujairah International Trading Co. L.L.C	UAE company	5,100	5,100,000	51.00%
2.	M/s ASI Global Ltd.	Mauritius company	4,800	4,800,000	48.00%
3.	M/s ASI Industries Limited	Indian company	100	100,000	1.00%
	Total		**10,000**	**10,000,000**	**100.00%**

However investment in the Company has been contributed by the shareholders as stated below:

Sr. No.	Shareholders	Legal status	Shares	Amount (AED)	%
1.	M/s ASI Global Ltd.	Mauritius company	9,900	9,900,000	99.00%
2.	M/s ASI Industries Limited	Indian company	100	100,000	1.00%
	Total		**10,000**	**10,000,000**	**100.00%**

The principal place of business of the Company and its administration office is at Al Tawain, Habhab, Fujairah (U.A.E.) and its registered address is Post Box 2313, Fujairah (U.A.E.).

The Company is licensed to carry on the activity of sand and pebble mines operation – crushers. During the year under review it was principally engaged in the same activities.

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.

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's total liabilities are AED 28,230,861/- against equity of AED 10,071,745/- indicating high leverage 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 and assured that the Company would continue its operations and shareholders have 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 Arab Emirates Dirham (AED). The Company's functional currencies are United Arab Emirates Dirham (AED) & United States Dollar (USD). All financial information presented in AED has been rounded off to the nearest U.A.E. Dirham (AED).

2.6. Use of estimates & judgments:

The preparation of financial statements in conformity with International Financial Reporting Standards (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.

- Useful lives of property, plant & equipment:

Company's management estimates the useful life of property, plant & equipment & residual value for calculating depreciation. It reviews the estimated life & residual value on annual basis & future depreciation expense would be adjusted where the management believes that useful life differs from the previous estimates.

- Impairment of inventories

Inventories are subjected to ageing & impairment test on a periodical basis by management on damaged, obsolete and slow moving inventories. These reviews require judgments and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

- Impairment of advance to suppliers:

Advance to suppliers are advances to be adjusted against future purchases or works to be undertaken in future. Impairment of advance to suppliers is created if in aggregate or individually balance is remaining outstanding without any adjustments or purchases being undertaken for significant period of time.

- Impairment of accounts receivable:

Accounts receivable are subjected to recoverability test on a periodical basis when collection of full amount is no longer probable. Accounts receivable balances which are individually significant, are verified for ageing, subsequent receipts & balance confirmations. Accounts receivable balances which are individually not material, are assessed collectively & estimated reserve for impairment of accounts receivable is created if same is outstanding for beyond normal credit terms & doubtful.

Management estimates that reserve for impairment created against accounts receivable 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:

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:

Property, plant & equipment are carried at their cost of acquisition including any incidental expenses related to acquisition or installation, less accumulated depreciation and accumulated impairment loss. Depreciation has been provided on straight line method over the estimated useful lives, as determined by the management.

Property, plant & equipment are, at the reporting date, subject to impairment. Where any indication of impairment exists, the carrying amount is written down to its recoverable amount.

The management's estimate of useful life of various assets is as follows:

Caravans	10 years
Crushers	1-20 years
Heavy and mobile equipments	1-10 years
Equipment and supportings	1-12 years
Quarry development	5-10 years
Furniture and office equipments	1-5 years
Motor vehicles	1-8 years

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 comprehensive income.

A decline in the value of property, plant and equipment could have a significant effect on the amounts recognised in these financial statements. Management assesses the impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:
- significant changes in the technology and regulatory environments.
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected.

3.3. Inventories:

Inventories are carried at the lower of cost and net realizable value (estimated selling price less cost to complete and selling expenses). Stores, consumables & other materials cost includes aggregate of purchase price, including applicable cost to bring the inventory to the present condition, valued at 'first-in-first-out' method. Work in process & Finished goods include cost of direct material, direct labour, packaging costs, other direct costs and allocation of production related overheads.

Any excess of carrying amount, over the net realizable value is charged immediately as impairment loss through statement of comprehensive income. Inventory items, which are slow moving or obsolete are assessed and reserve for impairment is created based on their ageing and saleability.

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 cash on hand & balance with banks in current accounts.

b. Accounts receivable:

Accounts receivable are amounts due from customers towards sale of goods in the ordinary course of business. Accounts receivable are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less reserve for impairment of accounts receivable. A reserve for impairment of accounts receivable is recognised when it is probable that the Company will not be able to collect all amounts due according to original terms of the accounts receivable.

c. Accounts payable:

Accounts payable represent obligations towards purchase of goods in the ordinary course of business. Same is free of interest & payable at the end of credit period granted by the suppliers. Accounts payable are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method.

d. 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.

e. Other financial liabilities:

Other financial liabilities, including borrowings, 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 de-recognised 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.

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 occured 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 readily 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 occuring after the impairment was recognised.

3.7. Employee benefits:

Employee benefits have been provided for in accordance with the contractual terms with the employees, but is however subject to minimum of UAE Labour Law requirements.

Short- term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Annual leave and leave passage

An accrual is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the year.

Employee end of service benefits

The provision for employee end of service benefits is based on the liability which would arise if the employment of all staff was terminated at the reporting date and is calculated in accordance with the provisions of UAE Federal Labour Law. Management considers these as long-term obligations and accordingly they are classified as long-term liabilities.

3.8. 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.

3.9. Value added tax:

As per the Federal Decree-Law No. (08) of 2017, effective from January 1, 2018, Value Added Tax (VAT), will be charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the Company. The Company is required to file its VAT returns and compute the payable / receivable tax (which is output tax less input tax / input tax) for the allotted tax period(s) and deposit / claim refund the same within the prescribed due dates of filing VAT return. Net position of Value Added Tax as on reporting date is disclosed under other current assets or other current liabilities as applicable.

3.10. General reserve:

General reserve represents amount set aside by the Company out of net profits. This being a free reserve is to be utilized at the discretion of the management/shareholders.

3.11. Statutory reserve:

The Company is required under the provisions of UAE Federal Law no. 2 of 2015 (as amended) on Commercial Companies to appropriate 10% of net profit to statutory reserve, every year, until the balance in reserve account reaches 50% of paid-up share capital.

In the event of net loss during the year, the Company has not appropriated any amount to statutory reserve, as permitted under the provisions of UAE Federal Law no. 2 of 2015 (as amended) on Commercial Companies.

Statutory reserve is not a free reserve & is not available for distributions.

3.12. 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.

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.

Revenue includes revenue from sale of goods and is recognised when the significant risk and reward of ownership have transferred to the buyer, the entity loses effective control and ownership over the goods, the economic benefit will flow to the Company and the amount can be measured reliably. Other income is recognised as and when due or received whichever is earlier.

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

3.13. 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.

3.14. 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.

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 shareholder, parent company, ultimate parent company & directors as stated here under:

Name of the related parties	Control	Relation
M/s Fujairah International Trading Co. L.L.C, Fujairah (U.A.E.)	--	Shareholder
M/s ASI Global Ltd., Port Louis (Mauritius)	--	Parent company
M/s ASI Industries Limited, India	Common control	Ultimate parent company
Mr. Tushya Jatia	Director	Key management personnel
Mr. Deepak Nemnath Jatia	Director	Key management personnel

Amount due to related party:

Amount due to related party is long term in nature, does not have any fixed repayment schedule & is free of interest.

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 exposure to credit risk on accounts receivable is monitored on an ongoing basis by the management and these are considered recoverable by the Company's management. However 49.68% of total accounts receivable were outstanding from 2 customers (previous year 69.34% of the total accounts receivables from 3 customers) and hence the Company has concentration of accounts receivable and consequent risk to that extent.

Accounts receivable of AED 4,107,982/- are outstanding for more than one year. However management has represented that same are recoverable & reserve for impairment of accounts receivable of AED 1,500,000/- is sufficient to cover doubtful debts if any.

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 Company's assets are sufficient to cover its financial obligations.

The current liabilities exceed current assets by AED 385,317/-, thus indicating liquidity crunch. Despite this the management has reviewed the Company's forecasted revenue, cash flows and cost structures and has concluded that liquid funds will be available to settle the liabilities when they become due and further, shareholders have confirmed that necessary financial assistance will be provided as and when required.

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 AED
Employee end of service benefits	0	0	435,486	435,486
Loans & advances from others	0	0	6,785,226	6,785,226
Accounts payable	2,008,157	0	0	2,008,157
Provisions, accruals & other liabilities	11,630,558	258,896	0	11,889,454
Amount due to related party	0	0	7,079,924	7,079,924
Loan from banks & financial institutions	32,614	0	0	32,614
Total	13,671,329	258,896	14,300,636	28,230,861

Financial liabilities as on March 31, 2021	Less than 6 months	6 months to 1 year	More than 1 year	Total AED
Employee end of service benefits	0	0	423,204	423,204
Loans & advances from others	0	0	6,785,226	6,785,226
Accounts payable	1,954,549	0	0	1,954,549
Provisions, accruals & other liabilities	14,052,403	231,708	0	14,284,111
Amount due to related party	0	0	5,540,035	5,540,035
Loan from banks & financial institutions	4,927,797	164,418	31,286	5,123,501
Total	20,934,749	396,126	12,779,751	34,110,626

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 of 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.

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

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.

Interest on term loan from ADCB is @ 5.5% to 6.75% p.a. (previous year @ 5.5% to 6.75% p.a.). Interest on term loan from M/s Galadari Trucks & Heavy Equipment Company LLC is @ 3.00% p.a. (previous year @ 3.00% p.a.) and from ICICI bank is @ LIBOR + 3.00% p.a. (previous year @ LIBOR + 3.00% p.a.). As represented by the management, the loan from M/s Galadari Trucks & Heavy Equipment Company LLC & ICICI bank have been settled during the year under review.

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:

- **Revenue risk:**
  19.58% of revenue was generated from 1 customer (previous year 61.38% from 4 customers) and hence the Company has revenue risk to that extent.

- **Inventory risk:**
  Inventory risk is the risk of recoverability/saleability of inventories due to obsolescence and slow movement. The Company assesses inventory items, which are slow moving or obsolete and reserve for impairment of inventory is created based on their ageing and saleablility.

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.

The Company's total liabilities are AED 28,230,861/- against equity of AED 10,071,745/- indicating high leverage 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 and assured that the Company would continue its operations and shareholders have 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.

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

5. Inventories:

	2021-22	2020-21
	AED	AED
Stores & consumables	3,589,334	4,670,123
Work in progress	85,138	153,986
Finished goods	432,813	6,366,494
	4,107,285	11,190,603

Inventories comprising of stores & consumables, work-in-progress & finished goods (blasted rock, amour rock & rocks of different sizes, specifications etc) have been verified by the management and obsolete stock, if any, has been fully provided for.

6. Deposits, prepayments & advances:

	2021-22	2020-21
	AED	AED
Deposits	16,000	29,132
Prepayments	127,722	140,957
Loans & advances to staff	4,874	19,023
Other current assets	5,259	84,032
	153,855	273,144

Deposits include AED 9,000/- (previous year AED 21,000/-) placed with the labour department against employee visa guarantees & same can be withheld by them under certain circumstances.

7. Accounts receivable:

	2021-22	2020-21
	AED	AED
Trade receivable	10,635,358	19,197,899
Reserve for impairment of accounts receivable	(1,500,000)	(450,000)
	9,135,358	18,747,899

Age-wise analysis of accounts receivable is as follows:

	2021-22	2020-21
	AED	AED
Outstanding for less than 3 months	5,038,401	7,146,516
Outstanding for more than 3 months but less than 6 months	676,843	5,025,965
Outstanding for more than 6 months but less than 12 months	812,132	2,594,522
Outstanding for more than 12 months	4,107,982	4,430,896
	10,635,358	19,197,899

Geographical analysis of accounts receivable is as follows:

	2021-22	2020-21
	AED	AED
Due from within U.A.E.	10,635,358	19,197,899
	10,635,358	19,197,899

Movement in reserve for impairment of accounts receivable is as follows:

	2021-22	2020-21
	AED	AED
Balance at the beginning of the year	450,000	300,000
Provided for the year	1,050,000	150,000
Balance at the end of the year	1,500,000	450,000

The Company's exposure to credit risk relating to accounts receivable is disclosed in note 4.2.

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

	2021-22	2020-21
	AED	AED
Cash on hand	18,282	417,207
Balance with bank in current accounts	130,128	378,298
	148,410	795,505

9. Share capital:

	2021-22	2020-21
	AED	AED
Share capital	10,000,000	10,000,000
	10,000,000	10,000,000

Share capital comprises of 10,000 fully paid equity shares of AED 1,000/- each (previous year 10,000 fully paid equity shares of AED 1,000/- each).

10. Reserves & surplus:

	2021-22	2020-21
	AED	AED
General reserve	1,277,613	1,277,613
Statutory reserve	2,552,185	2,552,185
Accumulated (losses)/Retained earnings	(3,758,053)	19,632,875
	71,745	23,462,673

11. Amount due to related party:

	2021-22	2020-21
	AED	AED
Due to parent company	7,079,924	5,540,035
	7,079,924	5,540,035

Amount due to related party is long term in nature, does not have any fixed repayment schedule & is free of interest.

12. Loan from banks & financial institutions:

12.1. Term loan

	2021-22	2020-21
	AED	AED
Opening balance	5,123,501	7,593,929
Received during the year	2,569,000	9,542,000
(Repaid) during the year	(7,659,887)	(12,012,428)
Closing balance	32,614	5,123,501
Due within one year	32,614	5,092,215
Due after one year	0	31,286
	32,614	5,123,501

a. Term loan from ADCB Bank is secured against lien over equipments/vehicles financed by the banks, assignment of insurance policies covering them, personal guarantees of Mr. Deepak Nemnath Jatia and Mr. Tushya Jatia, mortgage over equipment/vehicles, original insurance policy over equipments/vehicles for the invoice value duly assigned in bank's favour along with valid premium receipt.

b. Working Capital Demand Loan from ICICI bank, bill discounting & bank guarantee was secured against crushers, unconditional & irrevocable corporate guarantee from the ultimate parent company M/s ASI Industries Limited, unconditional & irrevocable, joint & several personal guarantees of Mr. Deepak Jatia & Mr. Tushya Jatia and hypothecation over current assets, subordination of amount due to parent company (i.e. AED 4,971,147/-) & loan from others (i.e. AED 6,500,000/-) and undated cheque. As represented by the management, the loan has been settled during the year under review.

c. Term loan from M/s Galadari Trucks & Heavy Equipment Company LLC was secured against equipment purchased utilising said loan. As represented by the management, the loan has been settled during the year under review.

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

13. Loans & advances from others:

	2021-22	2020-21
	AED	AED
Loan from others	6,785,226	6,785,226
	6,785,226	6,785,226

Loan from others does not have any fixed repayment schedule and is free of interest.

14. Employee end of service benefits:

	2021-22	2020-21
	AED	AED
Balance at the beginning of the year	423,204	470,396
Provided for the year	114,932	18,930
(Paid) during the year	(102,650)	(66,122)
Balance at the end of the year	435,486	423,204

15. Accounts payable:

	2021-22	2020-21
	AED	AED
Trade payable	1,818,157	1,754,549
Payable to suppliers of property, plant & equipment	190,000	200,000
	2,008,157	1,954,549

16. Provisions, accruals & other liabilities:

	2021-22	2020-21
	AED	AED
Accrued expenses	11,296,537	13,580,031
Accrued staff salaries & benefits	467,772	463,691
Advance from customers	85,629	96,979
Other current liabilities	39,516	143,410
	11,889,454	14,284,111

a. Accrued expenses include AED 4,865,442/- (previous year AED 7,792,963/-) payable to Fujairah Natural Resources Corporation towards royalty fee & AED 500,186/- (previous year AED 873,011/-) payable to Fujairah International Trading Co. towards sponsorship fee, PRO services & related expenses.

b. Other current liabilities represents VAT payable which is based on computation of VAT returns as prepared by the management and subject to assessment & confirmation by the Federal Tax Authority.

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

17. Direct costs:

	2021-22	2020-21
	AED	AED
Drilling & blasting expenses	1,872,695	2,955,607
Royalty expenses	3,100,240	4,440,609
Labour charges & other benefits	2,027,206	2,358,804
Utilities	5,953,765	3,478,750
Depreciation on property, plant and equipment	7,750,243	5,209,723
Other direct expenses	2,673,361	3,081,843
Decrease(increase) in work-in-progress & finished goods	6,002,529	(770,940)
	29,380,039	20,754,396

18. Other income:

	2021-22	2020-21
	AED	AED
Miscellaneous income	6,400	47,562
	6,400	47,562

19. Selling & distribution costs:

	2021-22	2020-21
	AED	AED
Freight outward	4,708,903	2,169,005
Impairment of accounts receivable	1,050,000	150,000
Other sales & marketing expenses	53,971	44,264
	5,812,874	2,363,269

20. Administrative costs:

	2021-22	2020-21
	AED	AED
Salaries & other staff related benefits	965,513	849,409
Communication expenses	39,826	47,034
Fees & charges	1,122,239	1,216,382
Travelling & conveyance expenses	33,628	36,651
Vehicle running & maintenance expenses	47,011	49,250
Bank charges	29,596	64,803
Office & other expenses	430,599	567,778
Depreciation on motor vehicles	117,982	138,195
	2,786,394	2,969,502

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

21. Finance costs:

	2021-22	2020-21
	AED	AED
Interest on term loan	90,796	246,847
	90,796	246,847

22. Other expenses:

	2021-22	2020-21
	AED	AED
Loss on disposal of property, plant & equipment	470,647	0
Impairment of property, plant & equipment	2,800,000	0
Loss on exchange differences	199	0
	3,270,846	0

23. Contingent liabilities:

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

24. 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 statements of the Company.

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

Schedule 1 - Property, plant & equipment:

Amount in U.A.E. Dirhams (AED)

Particulars	Caravans	Crushers	Heavy & mobile equipments	Equipments & supportings	Quarry development	Furniture & equipments	Motor vehicles	Total
Cost:								
As at March 31, 2021	3,587,614	28,480,040	27,669,263	5,466,372	22,789,319	1,793,851	1,351,645	91,138,104
Additions	0	0	0	0	279,946	0	0	279,946
(Disposals)	0	0	(2,200,000)	0	0	0	(350,850)	(2,550,850)
As at March 31, 2022	3,587,614	28,480,040	25,469,263	5,466,372	23,069,265	1,793,851	1,000,795	88,867,200
Accumulated depreciation:								
As at March 31, 2021	(2,776,715)	(11,411,959)	(14,831,167)	(3,289,681)	(19,535,929)	(1,752,994)	(973,511)	(54,571,956)
For the year	(118,608)	(1,186,920)	(2,655,654)	(317,137)	(3,456,363)	(15,561)	(117,982)	(7,868,225)
On disposals	0	0	854,685	0	0	0	275,994	1,130,679
Impairment	0	0	(2,800,000)	0	0	0	0	(2,800,000)
As at March 31, 2022	(2,895,323)	(12,598,879)	(19,432,136)	(3,606,818)	(22,992,292)	(1,768,555)	(815,499)	(64,109,502)
Net value- March 31, 2022	**692,291**	**15,881,161**	**6,037,127**	**1,859,554**	**76,973**	**25,296**	**185,296**	**24,757,698**
Net value- March 31, 2021	**810,899**	**17,068,081**	**12,838,096**	**2,176,691**	**3,253,390**	**40,857**	**378,134**	**36,566,148**

a. Caravans represent amount incurred towards office building & labour camp.

b. Crushers are constructed on land leased from Fujairah Municipality.

c. Crushers of gross value AED Nil/- (previous year AED 21,068,234/-) are pledged to ICICI bank

d. Heavy & mobile equipments of gross value AED Nil/- (previous year AED 1,042,500/-), equipments & supportings of gross value AED 284,960/- (previous year AED 492,460/-) & motor vehicles of gross value AED Nil/- (previous year AED 149,900/-) were hypothecated to ADCB bank.