

AA INFRA PROPERTIES LIMITED

(Free Zone Offshore Company)

Suite 301 & 308, Building-2, Bay Square,
Business Bay, P.O. Box 121395, Dubai, United
Arab Emirates

Financial Statements and Auditor's Report

For the Year Ended March 31, 2023

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Board of Director's Report to the Shareholder

The board of director submits its report and audited financial statements for the year ended March 31, 2023.

Results

The net loss for the year is amounted to AED 33,056,084 as compared to net loss of AED 167,699 in the previous year.

Review of the business

The Company is engaged in business of holding and developing residential / commercial property as approved by JAFZA, act as holding company and to carry on any lawful activity as permitted by Jebel Ali Free Zone Offshore Companies regulation 2018.

Auditors

A resolution to re-appoint N. R. Doshi & Partners, Public Accountants as auditors and fix their remuneration will be put to the shareholder at the Annual General Meeting.

On Behalf of the Board



Mr. Amitabh Goenka
Director

Date : August 4, 2023



Independent Auditor's Report to the Shareholder of

AA INFRA PROPERTIES LIMITED (Free Zone Offshore Company)

Suite 301 & 308, Building-2, Bay Square, Business Bay, P.O. Box 121395, Dubai, United Arab Emirates

Report on the audit of the financial statements

We have audited the financial statements of **AA Infra Properties Limited** ("the Company"), which comprise the statement of financial position as at March 31, 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements, including 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, 2023, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of opinion

We conducted our audit in accordance with the 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Articles 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.

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.

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.

(Independent auditor's report continued on next page...)



Independent auditor's report on AA Infra Properties Limited (continued...)

Auditor's responsibilities for the audit of the financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

N. R. Doshi & Partners
Public Accountants
Dubai, United Arab Emirates
August 4, 2023



AA INFRA PROPERTIES LIMITED (Free Zone Offshore Company)

Suite 301 & 308, Building-2, Bay Square, Business Bay, P.O. Box 121395, Dubai, United Arab Emirates

Statement of Profit or Loss and Other Comprehensive Income**For the Year Ended March 31, 2023****Notes****31.03.2023****31.03.2022**

All figures are expressed in U.A.E. Dirhams

Continuing Operations

Revenue		0	0
Cost of revenue		0	0
Gross profit		0	0
Other administrative expenses	6	(110,803)	(131,756)
Fair value adjustment to development properties	7	(32,863,357)	0
Operating Loss		(32,974,160)	(131,756)
Finance cost		(81,924)	(35,943)
Finance income		0	0
Loss from continuing operations		(33,056,084)	(167,699)

Discontinued Operations

Loss for the year from discontinued operations		0	0
Loss for the year		(33,056,084)	(167,699)

Attributable to :

Shareholder of the Company		(33,056,084)	(167,699)
Non-controlling interest		0	0
Loss for the year		(33,056,084)	(167,699)

Other Comprehensive Income

- Items that will not be reclassified subsequent to profit or loss		0	0
- Items that may be reclassified subsequent to profit or loss		0	0
Total Comprehensive Income for the year		(33,056,084)	(167,699)

Attributable to:

Shareholder of the Company		(33,056,084)	(167,699)
Non-controlling interest		0	0
Total Comprehensive Income for the year		(33,056,084)	(167,699)

These financial statements on pages 4 to 18 were authorised for issue on August 4, 2023 by the board of director and signed on behalf of the board by:



Mr. Amitabh Goenka
Director



The accompanying notes 1 to 17 form an integral part of these financial statements.



AA INFRA PROPERTIES LIMITED (Free Zone Offshore Company)

Suite 301 & 308, Building-2, Bay Square, Business Bay, P.O. Box 121395, Dubai, United Arab Emirates

Statement of Financial Position**As at March 31, 2023**

All figures are expressed in U.A.E. Dirhams

Notes**31.03.2023****31.03.2022****ASSETS****Non-Current Assets**

Development properties

7

21,246,452

54,109,809

Total non-current assets

21,246,452

54,109,809

Current Assets

Financial assets at amortised cost

8

2,350

1,875

Other assets

9

0

64,125

Total current assets

2,350

66,000

Total assets

21,248,802

54,175,809

LIABILITIES**Current Liabilities**

Financial liabilities at amortised cost

11

54,996,215

54,867,138

Total current liabilities

54,996,215

54,867,138

Total liabilities

54,996,215

54,867,138

Net Liabilities

(33,747,413)

(691,329)

EQUITY

Share capital

1.1

73,500

73,500

Retained earnings

10

(33,820,913)

(764,829)

Total equity

(33,747,413)

(691,329)

These financial statements on pages 4 to 18 were authorised for issue on August 4, 2023 by the board of director and signed on behalf of the board by:



Mr. Amitabh Goenka
Director



The accompanying notes 1 to 17 form an integral part of these financial statements.



AA INFRA PROPERTIES LIMITED (Free Zone Offshore Company)
Suite 301 & 308, Building-2, Bay Square, Business Bay, P.O. Box 121395, Dubai, United Arab Emirates

Statement of Changes in Equity

For the Year Ended March 31, 2023
All figures are expressed in U.A.E. Dirhams

	Share Capital	Retained Earnings	Total
Balance as at April 1, 2021	73,500	(597,130)	(523,630)
Loss for the year	0	(167,699)	(167,699)
Other comprehensive income	0	0	0
Total comprehensive income for the year	0	(167,699)	(167,699)
Transaction with shareholder recorded directly in equity	0	0	0
Balance as at March 31, 2022	73,500	(764,829)	(691,329)
Loss for the year	0	(33,056,084)	(33,056,084)
Other comprehensive income	0	0	0
Total comprehensive income for the year	0	(33,056,084)	(33,056,084)
Transaction with shareholder recorded directly in equity	0	0	0
Balance as at March 31, 2023	73,500	(33,820,913)	(33,747,413)

The accompanying notes 1 to 17 form an integral part of these financial statements.



AA INFRA PROPERTIES LIMITED (Free Zone Offshore Company)

Suite 301 & 308, Building-2, Bay Square, Business Bay, P.O. Box 121395, Dubai, United Arab Emirates

Statement of Cash FlowsFor the Year Ended March 31, 2023
All figures are expressed in U.A.E. Dirhams

Notes

31.03.2023

31.03.2022

I. Cash flow from operating activities

Net Loss for the year (33,056,084) (167,699)

Adjustments for:

Fair value adjustment to development properties

32,863,357 0

Operating Loss before changes in Operating Assets and Liabilities

(192,727) (167,699)

Changes in financial assets at amortised cost

(475) 107,907

Changes in other assets

64,125 (64,125)

Changes in financial liabilities at amortised cost

129,077 123,917

Net cash used in operating activities

0 0

II. Cash flow from investing activities

Addition to property, plant and equipments

0 0

Change in investment properties

0 0

Net cash flow from investing activities

0 0

III. Cash flow from financing activities

Change in financial liabilities at amortised cost

0 0

Funds (withdrawn) / introduced (net)

0 0

Net cash flow from financing activities

0 0

Net Decrease in cash and cash equivalents

(I + II + III)

0 0

Cash and cash equivalents as at beginning of the year

(Note 5.7)

0 0

Cash and cash equivalents as at end of the year

(Note 5.7)

0 0

Non-cash financing and investing activities

Nil Nil

The accompanying notes 1 to 17 form an integral part of these financial statements.



AA INFRA PROPERTIES LIMITED (Free Zone Offshore Company)

Suite 301 & 308, Building-2, Bay Square, Business Bay, P.O. Box 121395, Dubai, United Arab Emirates

Notes to the Financial Statements

For the Year Ended March 31, 2023

All figures are expressed in U.A.E. Dirhams

1 Legal Status, Business Activities and Management

1.1 Legal Status

AA INFRA PROPERTIES LIMITED ("the Company") is registered as an Offshore Company with Jebel Ali Free Zone Authority with Limited Liability under the registration number 191675 in accordance with The Offshore Companies Regulations of Jebel Ali Free Zone of 2003. The Jebel Ali Free Zone Offshore Companies Regulations 2018 replaces existing regulations.

The registered office of the Company is located at Suit No. 301 & 308, Building-2, Bay Square, Business Bay, P.O Box 121395, Dubai, United Arab Emirates.

The issued and fully paid up capital of the Company is AED 73,500 divided into 73,500 ordinary shares of AED 1. The following is the shareholder of the Company:

Shareholder	No. of Shares
AA Infra (Middle East) Limited, United Arab Emirates	73,500

1.2 Business Activities

The Company is engaged in carrying on International trading, holding investment property as approved by JAFZA, act as holding company and to carry on any lawful activity as permitted by Jebel Ali Free Zone Offshore Companies regulation 2018.

1.3 Management

The board of director of the Company is consist of directors Mr. Amitabh Goenka, Mr. Jugal Kishore Khetawat, Mr. Pradeep Kumar Sureka and Mr. Sushil Kumar Mohta.

2 Basis of Preparation

2.1 Compliance with International Financial Reporting Standard

The financial statements of the Company has been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretation Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

2.2 Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value.

2.3 Functional and Presentation Currency

The financial statements are presented in U.A.E Dirhams, which is the Company's functional currency. All financial information presented in U.A.E Dirhams has been rounded to the nearest Dirhams.



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Notes to the Financial Statements

3 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in conformity with IFRSs required management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

The key judgments and estimates and assumptions that have significant impact on the financial statements of the Company are as discussed below:

3.1 Impairment of Financial Assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3.2 Impairment of Non-Financial Assets

The Company assesses whether there are any indicators for impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amount may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

3.3 Fair Value Measurement of Financial Instrument

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

4.1 New Standards, Interpretations and Amendments to Existing Standards

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing from April 1, 2022. Although these new standards and amendments applied for the first time, they did not have a material impact on the financial statements of the Company. The new standard or amendment is described below:

IAS / IFRS	Brief Description
Amendments to IFRS 16	Property, Plant and Equipment: Proceeds before intended use
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

AA INFRA PROPERTIES LIMITED (Free Zone Offshore Company)

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Notes to the Financial Statements

4.2 Standards and Interpretations Issued but not yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for March 31, 2023 reporting period and have not been early adopted by the Company.

IAS / IFRS	Effective Date (Annual reporting period commencing from)	Brief Description
IFRS 17	January 1, 2023	Insurance Contracts
Amendments to IAS 1	January 1, 2023	Classification of Liabilities as current or Non-current
Amendments to IAS 1	January 1, 2023	Disclosure of accounting policies
Amendments to IAS 12	January 1, 2023	Deferred tax related to assets and liabilities arising from single transaction
Amendments to IAS 8	January 1, 2023	Definition of Accounting Estimate
Amendments to IFRS 10 and IAS 28	To be determined	Sale or Contribution of Assets between an Investors and its Associate or Joint Venture

- 4.3 The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

5 Summary of Significant Accounting Policies

The accounting policies used by the Company in the preparation of these financial statements have been consistently applied to all the years presented, unless otherwise stated.

5.1 Foreign Currency

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

AA INFRA PROPERTIES LIMITED (Free Zone Offshore Company)

Suite 301 & 308, Building-2, Bay Square, Business Bay, P.O. Box 121395, Dubai, United Arab Emirates

Notes to the Financial Statements

5.2 Financial Assets at Amortised Cost

The Company classifies its financial assets that are held for collection of contractual cash flows where those cash flows represents solely payments of principal and interest are measured at amortized cost. At initial recognition, the Company measures it at its fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains / (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

A financial asset or a part of financial assets is derecognised when the right to receive cash flows from the asset have expired; or the Company retains the right to receive cash flow from the asset, but has assumed an obligation to pay them in full without material delay to the third party under a 'pass-through' arrangement; or the Company has transferred its right to receive cash flow from the asset and has transferred substantially all the risks and rewards of the asset; or the Company has transferred its right to receive cash flow from the asset and has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

5.3 Financial Liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at amortized cost.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



AA INFRA PROPERTIES LIMITED (Free Zone Offshore Company)

Suite 301 & 308, Building-2, Bay Square, Business Bay, P.O. Box 121395, Dubai, United Arab Emirates

Notes to the Financial Statements

5.4 Impairment of Financial Assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

5.5 Impairment of Non Financial Assets

Non financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

5.6 Development Properties

Properties acquired, constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and are stated at the lower of cost or net realisable value. Cost

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees or legal services, property transfer taxes, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of development properties recognised in the income statement on sale is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

The management reviews the carrying values of the development properties on an periodical basis.

5.7 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises of cash in hand, bank current and call accounts and bank fixed deposits free from lien with a maturity date of three months or less from the date of deposit.



AA INFRA PROPERTIES LIMITED (Free Zone Offshore Company)

Suite 301 & 308, Building-2, Bay Square, Business Bay, P.O. Box 121395, Dubai, United Arab Emirates

Notes to the Financial Statements**5.8 Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 365 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

5.9 Provisions

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

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

6 Other Administrative Expenses	31.03.2023	31.03.2022
Community service charges	85,500	85,500
Other expenses	25,303	46,256
	<u>110,803</u>	<u>131,756</u>

7 Development Properties

Land at Dubai Sports City (Gross)	44,560,000	44,560,000
Interest on loan capitalized	8,056,195	8,056,195
Design, supervision and others	1,493,614	1,493,614
Less: Loss on revaluation of property	(32,863,357)	0
	<u>21,246,452</u>	<u>54,109,809</u>

7.1 Land at Dubai Sports City represents amount paid for purchase of land at Plot no. 103, Municipality No. 682-6505, Al Hebiah Fourth, Dubai Sports City, Dubai, United Arab Emirates as per title deed dated June 21, 2018. The cost of the land includes purchase price amounting to AED 42,750,000 as per title deed and registration and administrative charges amounting to AED 1,810,000. The commencement date of construction over this land is extended to December 2022 vide no objection letter from Dubai Sports City dated March 28, 2021. The Company has requested for further extension till December 2023 to Dubai Sports City via letter dated November 18, 2022. However, the same is yet to be obtained.

7.2 Interest on loan capitalized represents interest on long term loans received from the holding company and a director which is capitalized being specifically obtained for the purpose of purchase of land.

7.3 Design and supervision charges incurred during the pre-construction period, as the construction of residential building on Land located at Plot No. 103, Municipality No. 682-6505, Al Hebiah Fourth, Dubai, United Arab Emirates has not commenced till date.



AA INFRA PROPERTIES LIMITED (Free Zone Offshore Company)

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Notes to the Financial Statements

- 7.4 The management of the Company have decided to put on hold the plan to develop the above property. Accordingly, the fair market value of the plot of land has been considered for the purpose of recognizing the value of development properties in this Financial Statements. The value of development properties as recognized in this Financial Statements is based on the value certified by the independent valuer.

8 Financial Assets at Amortised Cost 31.03.2023 31.03.2022

Short term financial assets at amortised cost

VAT receivable	2,350	1,875
	<u>2,350</u>	<u>1,875</u>

9 Other Assets

Prepayments	<u>0</u>	<u>64,125</u>
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10 Retained Earnings

Balance as at beginning of the year	(764,829)	(597,130)
Loss for the year	<u>(33,056,084)</u>	<u>(167,699)</u>
Balance as at end of the year	<u>(33,820,913)</u>	<u>(764,829)</u>

11 Financial Liabilities at Amortised CostShort term financial liabilities at amortised cost

Loan from related parties (Refer note 11.1)	54,325,150	54,481,195
Loan from others (Refer note 11.1)	637,777	377,943
Accruals	<u>33,288</u>	<u>8,000</u>
	<u>54,996,215</u>	<u>54,867,138</u>

- 11.1 The loan from related party is unsecured, interest free and it is repayable on demand except loan amounting to AED 519,910 (previous year AED 342,000) from Emami International FZE is carrying an interest of 14% (previous year 14%).

12 Related Party and Transactions with Related Parties

For the purpose of these financial statements, parties are considered to be related to the Company, if the party has the ability, directly or indirectly, to control the Company or exercise the significant influence over the Company in making financial or operating decisions, or vice versa, or where the Company and the party are subject to common control or significant influence. Related parties may be individuals or other entities.

Related Party Balances

Significant related party balances are as follows:

Loan from related party	<u>54,325,150</u>	<u>54,481,195</u>
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AA INFRA PROPERTIES LIMITED (Free Zone Offshore Company)

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Notes to the Financial Statements

13 Financial Instruments

Financial instruments means financial assets and financial liabilities. The Company holds following financial instruments:

Financial assets	31.03.2023	31.03.2022
Financial assets as at amortized cost		
- Financial assets at amortized cost	2,350	1,875
	<u>2,350</u>	<u>1,875</u>
Financial liabilities		
Financial liabilities recognized as at amortized cost		
- Financial liabilities at amortized cost	54,996,215	54,867,138
	<u>54,996,215</u>	<u>54,867,138</u>

14 Fair Values of Financial Instruments

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

The Company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique :

Level 1 : The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in level 1.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There were no transfers between different categories for recurring fair value measurements during the year.

15 Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments.

Credit Risk
Liquidity Risk
Market Risk



AA INFRA PROPERTIES LIMITED (Free Zone Offshore Company)

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Notes to the Financial Statements

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

15.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL) and deposits with banks and financial institutions, as well as credit exposures customers.

a. Other Financial Assets and Cash and Cash Equivalents

With respect to credit risk arising from the other financial assets of the Company, which comprise bank balances and cash, other receivables and deposits, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets. These are considered to have low credit risk. No loss allowance is necessary considering 12 month expected loss.

Credit risk from balances with banks and financial institutions is low since the bank current accounts and bank margins are placed with high credit quality financial institutions and considering the profile of them, the management does not expect any counterparty to fail in meeting its obligations.

15.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Company has a commitment from its shareholder of a continuous support in terms of cash flow management.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual maturity dates:

Year Ended: March 31, 2023	Contractual cash flows	12 months or less	Above 12 months
Non-derivative financial liabilities			
- Financial liabilities at amortized cost	54,996,215	54,996,215	0
Derivative financial liabilities	0	0	0
Total financial liabilities	<u>54,996,215</u>	<u>54,996,215</u>	<u>0</u>



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Year Ended: March 31, 2022	Contractual cash flows	12 months or less	Above 12 months
Non-derivative financial liabilities			
- Financial liabilities at amortized cost	54,867,138	54,867,138	0
Derivative financial liabilities	0	0	0
Total financial liabilities	54,867,138	54,867,138	0

At present, the Company expects to pay all liabilities at their contractual maturity. In order to meet such cash commitments, the Company expects the operating activity to generate sufficient cash inflows. In addition, the Company holds financial assets for which there is a liquid market and that are readily available to meet liquidity needs.

15.3 Market Risk

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

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

a. Exposure to Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest has been charged at 14% per annum in respect of loan received amounting to AED 519,910 from Emami International FZE.

b. Exposure to Exchange Rate Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not transact in currency other than AED.

15.4 Capital Management

Capital includes equity attributable to the shareholder of the Company. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Company's capital management strategy is to ensure that it maintains a healthy capital gearing ratio in order to support its business and maximise shareholder value.



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Notes to the Financial Statements

16 Significant Events Occurring After the Date of Statement of Financial Position

There were no significant events occurring after the financial position date which require disclosure in the financial statements.

17 Comparative Figures

Previous year's figures have been re-grouped or re-classified wherever necessary so as to conform to the current year's presentation.

