Amara Raja Batteries Middle East (FZE)
SAIF Zone, Sharjah – UAE.

Financial Statements and Auditors Report
For the year ended 31st March 2022.

Amara Raja Batteries Middle East (FZE),
SAIF Zone, Sharjah - UAE.

Financial Statements and Auditors Report
For the year ended 31st March 2022.

Contents

Amara Raja Batteries Middle East (FZE)
SAIF Zone, Sharjah - UAE.

Establishment information

Address	:	SAIF Office P8 - 15 - 64, P.O. Box No: 124018 Sharjah - UAE.
Financial Year Ending	:	31st March 2022
Owner M/s. Amara Raja Batteries Limited	:	*Incorporated in* India
Manager Mr. Rohit Arora	:	*Nationality* Indian
The Auditors	:	**M/s. ASP Auditing** P.O. Box No. 103528 Dubai - UAE Tel: +971 - 4 - 3353970 Email: aspa@emirates.net.ae
The Main Banker	:	Emirates NBD

Directors' Report and Management Discussion and Analysis

We have pleasure in presenting the financial statements for the year ended 31st March 2022.

BUSINESS OVERVIEW:

The company is engaged in activity of Trading in Batteries and Related Products.

BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENT:

The company has been in operation from July 2018.

HIGHLIGHTS OF AMARA RAJA BATTERIES MIDDLE EAST (FZE)'s PERFORMANCE IN 2022:

Despite the difficult global business conditions, it pleases to inform you that the company succeeded in achieving businesses.

- The company achieved a Turnover of AED. 3,027,171/- for the year ended 31st March 2022 as compared to AED. 1,440,989/- for the previous year ended 31st March 2021.
- The company posted a Net Profit of AED. 583,062/- for the year ended 31st March 2022 as against a Net Profit of AED. 58,872/- for the previous year ended 31st March 2021.
- The company experienced a smooth cash flow throughout the financial year and concluded with the liquidity in cash and bank balance equivalent worth AED. 264,158/-

AUDITORS:

The Auditors, M/s. ASP Auditing, Dubai, UAE are eligible for re-appointment and have expressed their willingness to continue as Auditors for the next year.

ACKNOWLEDGEMENTS:

The Directors take this opportunity to convey their deep sense of gratitude for valuable assistance and Co-operation extended to the company by all valued Customers, Bankers and various departments of government and local authorities.

The Directors also wish to place on record their sincere appreciation for the valued contribution, unstinted efforts and spirit of dedication shown by the Company employees, officers and the executives at all levels which contributed, in no small measure, to the progress and the high performance of the company during the year under review.

For Amara Raja Batteries Middle East (FZE)

Mr. Rohit Arora

(Manager)

May 09, 2022.

To,
The Shareholder,
M/s. Amara Raja Batteries Middle East (FZE),
SAIF Zone, Sharjah - UAE.

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of M/s. Amara Raja Batteries Middle East (FZE), SAIF Zone, Sharjah - UAE which comprise the statement of financial position as at 31st March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31st March 2022, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Establishment as at 31st March 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Establishment in accordance with the ethical requirements that are relevant to our audit of the financial statements in, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance ("TCWG") for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

ASP لمراجعة الحسابات
ص.ب 103528، دبي - الإ.ع.م. هاتف: 3353970 4 971+ فاكس: 3353907 4 971+
ASP AUDITING
P.O. Box 103528, Dubai, UAE. Tel: +971 4 335 3970, Fax: +971 4 335 3907
Email: aspa@emirates.net.ae | www.aspauditing.com

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

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

Auditors' 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 Audit 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 to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an Audit in accordance with ISAs, we exercise professional 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 establishment's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.

ASP لمراجعة الحسابات
ص.ب 103528، دبي - إ.ع.م، هاتف: 3353970 4 971+، فاكس: 3353907 4 971+

ASP AUDITING
P.O. Box 103528, Dubai, UAE., Tel: +971 4 335 3970, Fax: +971 4 335 3907
Email: aspa@emirates.net.ae | www.aspauditing.com

- Conclude on the appropriateness of management 's use of going concern basis of Accounting and based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors Report. However, future events or conditions may cause the establishment 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 transaction's and events in a manner that achieves fair presentation.

We communicate with management and 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 were identify during the Audit.

Report on the Legal and Regulatory Requirements

As required by the provisions of the Implementing Rules and Regulations issued by the Sharjah Airport International Free Zone Authority pursuant to Sharjah Emiri Decree No. 2 of 1995 as amended by Sharjah Executive Council Resolution No. (1) of 2000 applicable for entities in Sharjah Airport International Free Zone, Sharjah, we further confirm that,

1. We have obtained all the information and explanations necessary for our audit.
2. the financial information included in the directors' report is in consistent with the books of accounts of the Establishment;
3. We are not aware of any contraventions during the year of the above mentioned law which may have materially affected the financial position of the Establishment or the result of its operations for the year.

For ASP AUDITING

P.O. Box 103528 DUBAI - U.A.E ASP AUDITING

May 11, 2022
License No.: 563310
Ministry Regn. : 245/29.04.1998
Huda Yousif Ali Ahmed Al Ansaari

ASP لمراجعة الحسابات
ص.ب:103528، دبي - إ.ع.م. هاتف: 3353970 4 971+، فاكس: 3353907 4 971+
ASP AUDITING
P.O. Box 103528, Dubai, UAE., Tel: +971 4 335 3970, Fax: +971 4 335 3907
Email: aspa@emirates.net.ae | www.aspauditing.com

Amara Raja Batteries Middle East (FZE)

SAIF Zone, Sharjah - UAE

STATEMENT OF FINANCIAL POSITION

As at 31st March 2022

ASSETS		Note	Mar-22	Mar-21
			AED	AED
NON -CURRENT ASSETS				
Property, Plant and Equipment		6	25	25
Other Non Current Assets		7	6,050	6,050
Total Non-Current Assets	A		6,075	6,075
CURRENT ASSETS				
Cash and Cash Equivalents		8	264,158	101,212
Trade & Other Receivables		9	281,845	207,441
Inventory		10	397,113	420,971
Due from Related Parties		11	477,111	22,960
Other Current Assets		12	18,249	3,116
Total Current Assets	B		1,438,476	755,700
TOTAL ASSETS	A+B		*1,444,551*	*761,775*
EQUITY & LIABILITIES				
EQUITY				
Share Capital		5	300,000	300,000
Retained Earnings		18	515,415	(67,647)
Total Equity	C		815,415	232,353

(Cont.)

Amara Raja Batteries Middle East (FZE)

SAIF Zone, Sharjah - UAE

STATEMENT OF FINANCIAL POSITION (Cont.)

As at 31st March 2022

LIABILITIES		Note	Mar-22	Mar-21
			AED	AED
NON CURRENT LIABILITIES				
Provision for Employee Benefits		17	32,152	21,701
Total Non Current Liabilities	D		32,152	21,701
CURRENT LIABILITIES				
Due to Related Parties		13	554,158	475,782
Trade & Other Payables		14	956	16,491
Other Current Liabilities		15	15,968	-
Accruals and Provisions		16	25,902	15,448
Total Current Liabilities	E		596,984	507,721
TOTAL LIABILITIES	D+E		629,136	529,422
TOTAL EQUITY & LIABILITIES	C+D+E		1,444,551	761,775

The notes on pages 12 to 37 form an integral part of these financial statements.

These financial statements were approved on May 09, 2022.

For Amara Raja Batteries Middle East (FZE)

Rohit Arora

Mr. Rohit Arora

(Manager)

The report of the auditors is set on page 4 to 6

Amara Raja Batteries Middle East (FZE)
SAIF Zone, Sharjah - UAE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31st March 2022

	Note	Mar-22 AED	Mar-21 AED
Continuing Operations			
Sales	F	3,027,171	1,440,989
Cost of Sales	G	(1,944,966)	(941,519)
Gross Profit		1,082,205	499,470
Other Income		-	-
Operating Expenses			
Employee Cost & Benefits	H	(268,655)	(297,002)
General & Administration Expenses	I	(223,474)	(136,191)
Depreciation on Property, Plant and Equipment		-	(193)
Total Operating Expenses		(492,129)	(433,386)
Operating Profit for the year		590,076	66,084
Financial Charges		(7,014)	(7,212)
Profit for the year		583,062	58,872
Other Comprehensive Income		-	-
Total Comprehensive Income For the year		583,062	58,872
Profit for the year:			
Attributable to Shareholder		583,062	58,872

The notes on pages 12 to 37 form an integral part of these financial statements.

These financial statements were approved on May 09, 2022.

For Amara Raja Batteries Middle East (FZE)

Mr. Rohit Arora
(Manager)

The report of the auditors is set on page 4 to 6

Amara Raja Batteries Middle East (FZE)
SAIF Zone, Sharjah - UAE

ASP

CASH FLOW STATEMENT
For the year ended 31st March 2022

	Mar-22 AED	Mar-21 AED
Cash Flow from Operating Activities		
Net Profit as per Profit & Loss Account	583,062	58,872
Adjustment for non-cash items		
Depreciation	-	193
Bad debts	998	-
Operating Cash Flow before working capital changes	584,060	59,065
Changes in net Working Capital		
(Increase) / Decrease in other Non Current Assets	-	8,900
(Increase) / Decrease in Inventory	23,858	(235,676)
(Increase) / Decrease in Trade & Other Receivables	(75,402)	(193,880)
(Increase) / Decrease in Due from Related Parties	(454,151)	84,892
(Increase) / Decrease in Other Current Assets	(15,133)	(2,022)
Increase / (Decrease) in Due to Related Parties	78,376	353,437
Increase / (Decrease) in Trade & Other Payables	(15,535)	(4,366)
Increase / (Decrease) in Other Current Liabilities	15,968	-
Increase / (Decrease) in Accruals & Provisions	10,454	10,448
Increase / (Decrease) of Non Current Liabilities	10,451	12,814
Net Cash Flow from / (used) from Working Capital	(421,114)	34,547
Operating Cash Flow after working capital changes	162,946	93,612
Cash flow from Financing Activities		
Net Cash Flow from / (used) in Financing Activities	-	-
Cash flow from Investing Activities		
Net Changes in Property, Plant and Equipment	-	-
Net Cash Flow from / (used) in Investing Activities	-	-
Net increase / (decrease) in cash & cash equivalents	162,946	93,612
Cash & Cash equivalents in the beginning of the year	101,212	7,600
Cash & Cash equivalents at the end of the year	264,158	101,212

The notes on pages 12 to 37 form an integral part of these financial statements.

These financial statements were approved on May 09, 2022.

For Amara Raja Batteries Middle East (FZE)

Rohit Arora

Mr. Rohit Arora
(Manager)

The report of the auditors is set on page 4 to 6

Amara Raja Batteries Middle East (FZE)
SAIF Zone, Sharjah - UAE

STATEMENT OF CHANGES IN EQUITY
For the year ended 31st March 2022

Particulars	Share Capital	Retained Earnings	Total
	AED	AED	AED
Balance as on 01st April 2020	300,000	(126,519)	173,481
Profit of the year	-	58,872	58,872
Balance as on 01st April 2021	300,000	(67,647)	232,353
Profit of the year	-	583,062	583,062
Balance as on 31st March 2022	300,000	515,415	815,415

The notes on pages 12 to 37 form an integral part of these financial statements.

These financial statements were approved on May 09, 2022.

For Amara Raja Batteries Middle East (FZE)

Rohit Arora

Mr. Rohit Arora
(Manager)

The report of the auditors is set on page 4 to 6

Amara Raja Batteries Middle East (FZE)
SAIF Zone, Sharjah - UAE.

Notes to the Financial Statements
As at 31st March 2022

1. Legal Status and Activities

1.1 M/s. Amara Raja Batteries Middle East (FZE), is a Free Zone Establishment with limited liability registered with the Sharjah Airport International Free Zone Authority, Government of Sharjah, UAE vide Commercial License No.: 19817. The Original License has been granted on the 31st day of July 2018.

1.2 The registered address of the Establishment is SAIF Office P8 - 15 - 64, P.O. Box No: 124018, SAIF Zone, Sharjah - UAE.

1.3 The Owner of the Establishment is:
M/s. Amara Raja Batteries Limited, Incorporated in India 100% Holder
(Represented by Mr. Rohit Arora, Indian National)

1.4 Mr. Rohit Arora, Indian National, is manager of the Establishment and takes care of the day to day activities of the Establishment.

1.5 The Establishment is engaged in the activity of Trading in Batteries and Related Products.

2. Application of new and revised International Financial Reporting Standards (IFRS)

2.1 New and revised IFRSs effective for accounting periods beginning on or after 01st January 2021:
The following new and revised IFRSs which became effective for the annual years beginning on or after 01st January 2021 have been adopted in these financial statements.

New and revised IFRSs	Summary of requirements
IAS 1 – Presentation of Financial Statements Effective January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.	IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.
IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors Effective January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.	IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.
IAS 16 – Property, Plant and Equipment Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.	IAS 16 "Property, Plant and Equipment" outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life.
IAS 37 – Provisions, Contingent Liabilities and Contingent Assets Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.	IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable).

IFRS 16 – Leases The amendment is effective for annual reporting periods beginning on or after 1 April 2021	On 31st March 2021, IASB Published COVID 19 Related Rent Concessions beyond 30 June 2021(Amendment to IFRS 16) that extends by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID - 19 related rent concession is a lease modification.
IAS 41 — Agriculture Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.	IAS 41 "Agriculture" sets out the accounting for agricultural activity - the transformation of biological assets (living plants and animals) into agricultural produce (harvested product of the entity's biological assets). The standard generally requires biological assets to be measured at fair value less costs to sell.
IFRS 1 — First-time Adoption of International Financial Reporting Standards Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.	IFRS 1 "First-time Adoption of International Financial Reporting Standards" sets out the procedures that an entity must follow when it adopts IFRS for the first time as the basis for preparing its general purpose financial statements. The IFRS grants limited exemptions from the general requirement to comply with each IFRS effective at the end of its first IFRS reporting period.
IFRS 3 — Business Combinations Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.	IFRS 3 "Business Combinations" outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.
IFRS 17 — Insurance Contracts The IASB tentatively decided to defer the effective date of IFRS 17, Insurance Contracts to annual periods beginning on or after January 1, 2022. [The IASB has also published 'Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)' to defer the fixed expiry date of the amendment also to annual periods beginning on or after January 1, 2023.]	IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

2.2 New and revised IFRSs in issue but not effective:

The Establishment has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and Revised IFRSs	Effective for annual periods beginning on or after
IFRS 1 First Time Adoption of International Financial Reporting Standards	01st January 2022
IFRS 3 Business Combinations	01st January 2022
IAS 1 - Presentation of Financial statements	01st January 2023
IAS 16 - Property, Plant & Equipment	01st January 2022
IAS 37 - Provisions, Contingent Liabilities & Contingent Assets	01st January 2022

Management anticipates that these new standards, interpretations and amendments will be adopted in the Establishment's financial statements as and when they are applicable and the adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Establishment in the year of initial application.

3. Financial instruments, Financial assets, Financial liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Establishment becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial asset or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on the trade date i.e. the date when the Establishment commits to purchase or sell the asset.

The classification of financial instruments depends on the objective of the Establishment's business model for which it is held and on the substance of the contractual terms / arrangements. Management determines the classification of its financial instruments at initial recognition.

(i) Financial assets

Recognition: Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Establishment becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Financial assets are classified as those measured at:

(a) amortised cost, where the financial assets are held within a business model solely for collection of cash flows arising from payments of principal and/ or interest as per contractual terms. Such assets are subsequently measured at amortised cost using the effective interest method, less any impairment loss.

(b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election on an instrument by instrument basis at initial recognition may be made to present subsequent changes in fair value through other comprehensive income. This election is not permitted if the equity instrument is held for trading.

Impairment: The Establishment assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

As a practical expedient, the Establishment uses a provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

Reclassification: When and only when the business model is changed, the Establishment shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Establishment has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously recognized in other comprehensive income and accumulated in the "equity instruments through other comprehensive income" will not be reclassified to profit or loss on disposal of the investments.

(ii) Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost using the effective interest method.

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, to the net carrying amount on initial recognition.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry. The difference between the carrying amount of the financial liabilities de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

4. Significant Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and applicable rules and regulation of the UAE Law & SAIF Zone rules & regulations. The significant accounting policies, which have been applied, are set out below:

a) Going concern basis of accounting

The financial statements have been prepared on a going concern basis, which assumes that the Establishment will be able to meet the mandatory repayment terms.

b) Application of IFRS 9 Financial Instruments

The Establishment has adopted IFRS 9 effective from 1 January 2018. IFRS 9 replaces IAS 39 and addresses the accounting for financial instruments including hedge accounting. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVTOCI and FVTPL. IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The business model assessment was completed based on the facts and circumstances which existed at the initial date of application. IFRS 9 eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under IFRS 9, derivative embedded contracts where the host is a financial asset in the scope of IFRS 9 are never bifurcated. Instead, the whole hybrid instrument is assessed for classification.

The requirements for classification and measurement of financial liabilities under IFRS 9 are largely as existing under IAS 39.

IFRS 9 replaces the "incurred loss" model under IAS 39 with "expected credit loss" model as it relates to the impairment of financial assets. The new impairment model does not apply to equity investments.

IFRS 9 amends the requirements for hedge effectiveness and consequently the application of hedge accounting. The IAS 39 effectiveness test is replaced with a requirement for an economic relationship between the hedged item and the hedging instrument, and for the "hedged ratio" to be the same as that used by the Establishment for risk management purposes.

The new standard requires alignment between the risk management objective of an individual hedging relationship and the risk management strategy of the Establishment. When assessing hedge effectiveness under IFRS 9, the Establishment is required to ensure credit risk due to counterparty or own creditworthiness does not dominate the change in fair value of either the hedged item or the hedging instrument. Generally, the mechanics of hedge accounting remain unchanged.

Impairment of financial assets

The Establishment has financial assets under "trade and other receivables" that are subject to the expected credit loss model under IFRS 9. The Establishment has applied the simplified approach to measuring the expected credit losses which uses lifetime expected loss allowance for all trade receivables and financial investments. To measure the expected credit losses, trade receivables have been grouped based on similar credit risk characteristics and days past due. The revised impairment methodology has not resulted in additional credit loss in trade receivables and financial investments.

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively. However in accordance with transition provisions under IFRS 9, the Establishment has elected not to restate the comparative years.

c) Accounting Convention:

These financial statements have been prepared under the historical Cost convention. The accounting policies have been consistently applied by the Establishment.

d) Revenue recognition:

Income is recognized when it is earned, not necessarily when received. Expenses and charges have been recognized when it was incurred, not necessarily when paid. Income represents the invoiced value of goods sold & services rendered during the year, net of discounts and returns.

Revenue from contracts with customers

IFRS 15 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs.

It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step 1: Identify the contract with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue as and when the Establishment satisfies a performance obligation.

e) Leases:

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether and Arrangement contains a Lease, SIC - 15 Operating Leases - Incentives and SIC - 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

The Establishment also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option and lease contracts for which the underlying asset is of low value.

f) Other Income

Other Income is recognized on an accrual basis or when the Establishment's right to receive payment is established.

g) **Property, Plant & Equipment:**

Property, Plant & Equipment is stated at historical cost less accumulated depreciation and identified impairment loss, if any. The cost comprises of purchase price, levies, duties and any directly attributable costs of bringing the asset to its working condition. The cost of Property, Plant and Equipment are depreciated using the Straight Line Value method after considering the economic lives of the Assets as follows:

- Office Equipments 5 Years

The Carrying value of Property, Plant & Equipment is viewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit.

Repairs and renewals are charged to the statement of profit or loss and other comprehensive income when the expenditure is incurred.

h) **Related Party Transactions:**

The Establishment, in its normal course of business, enters in to transactions with the companies that fall under the definition of "Related Party" of International Accounting Standard 24. Related party comprise companies and entities under the common ownership and/or common management and in which control and management vested with the share holders or the key managerial personnel.

Balances with Related Party included in the Statement of financial position are as follows:

Entities Owned and Controlled by the Major Shareholder	Due from 31st March 2022 AED	Due from 31st March 2021 AED
M/s. Amara Raja Batteries Ltd	477,111	22,960
TOTAL	477,111	22,960

Entities Owned and Controlled by the Major Shareholder	Due to 31st March 2022 AED	Due to 31st March 2021 AED
M/s. Amara Raja Batteries Ltd	554,158	475,782
TOTAL	554,158	475,782

Outstanding Balances at the year-end arise in the normal course of business. For the year ended 31st March 2022, the Establishment has not recorded any impairment of amounts owed by related party. (2021: Nil)

i) Foreign Currency Transactions:

Foreign currency transactions are recorded in UAE Dirhams at the approximate rate of exchange ruling at the time of the transaction. Assets and liabilities expressed in foreign currencies at the statement of financial position date are converted into UAE Dirhams at the period end rate of exchange. All foreign currency gains and losses are booked in the statement of income as they arise.

j) Trade receivables:

The schedule of Trade receivables represents amounts falling due as on the date of Statement of financial position. Trade receivables are normally requiring the amounts to be received within 30 days from the date of invoice. Bad debts are written off as and when they arise. The Management considers the all the trade receivables as good and hence has not made any provision for bad and Doubtful debts as on the date of Statement of Financial Position.

k) **Rounding off:**

The figures stated in the attached Financial Statements are rounded off to the nearest UAE Dirhams.

l) Employees' Terminal benefits:

Provision is made in Trade for end of service benefits due to employees in accordance with UAE federal labour Laws No (8) period 1980 and SAIF Zone Rules and Regulations. Provision is made for amounts payable under the UAE Labour Law applicable to employees' accumulated period of service at the statement of financial position.

m) Fair Value of financial instruments:

The value of all classes of financial assets and financial liabilities, as recorded in the statement of financial position approximate the fair value of these assets and liabilities.

n) General:

In the opinion of the management all the assets as shown in the Financial Statements are existing and realizable at the amount shown against and there are no liabilities against the Establishment contingent or otherwise not included in the above Financial Statements.

o) Profit and Loss account:

The Establishment's profit is arrived at after charging all expenses, incurred in day to day operations of the business and in maintaining Property, Plant and Equipment.

p) Trade payables:

The schedule of Trade payables represents amounts falling due as on the date of statement of financial position. Trades payable are normally settled within 30 days. Liabilities are recognized for amounts to be paid in the future for goods of services whether or not billed to the Establishment. As on the date of statement of Financial Position, there are no trade payables.

q) Inflationary Factor:

No adjustments have been made in these Financial Statements to identify the inflationary factor.

r) Key Sources of Estimation Uncertainty

The entity management set out the entity's overall business strategies and its risk management policy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the entity. The entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the entity's policy guidelines are complied with.

There has been no change to the entity's exposure to the financial risks or the manner in which it manages and measures the risk.

The entity is exposed to the following risks related to financial instruments. The entity has not framed formal risk management policies; however, the risks are monitored by management on a continuous basis. The entity does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

a) Foreign Currency risk management

The entity undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date based on contractual repayment agreements were as follows:

	Interest Bearing			Non Interest Bearing			
Particulars	On Demand or Less than 3 Months	Within 1 Period	More than 1 Period	On Demand or Less than 3 Months	Within 1 Period	More than 1 Period	Total
As at 31st March 2022							
Financial Assets							
Cash and Bank Balances	-	-	-	264,158	-	-	264,158
Trade Receivables	-	-	-	281,845	-	-	281,845
TOTAL	-	-	-	546,003	-	-	546,003

c) <u>Credit Risk Management</u>

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the entity. The entity has adopted a policy of only dealing with the credit worthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly and the entity maintains and allowances for doubtful debts based on expected collectability of all Trade receivables.

Trade receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables. Further details of credit risk on trade and other receivable are disclosed in the notes to financial statements.

The credit risk on liquid funds is limited because the counterparties are banks with high credit- ratings assigned by international credit-ratings agencies.

The Establishment is exposed to credit risk on its Bank Balances and Trade Receivables as follows:

Particulars	31st March 2022	31st March 2021
	AED	AED
Bank Balances	264,158	101,212
Trade Receivables	281,845	207,441
TOTAL	546,003	308,653

The Establishment seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting limits for individual customers and monitoring outstanding trade receivables.

With respect to credit risk arising from the other financial assets of the Establishment, including cash and cash equivalents, the Establishment's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

d) Capital risk management

The Establishment's objectives when managing capital to safeguard the Establishment's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholder and to maintain an optimal capital structure to reduce the cost of capital. The director'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.

In order to maintain or adjust the capital structure, the Establishment may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt consistent with others in the industry, the Establishment monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less Cash at Bank.

The Establishment manages its capital structure and makes adjustments to it, in light of changed in economic conditions. No Changes were made in the objectives, Policies or Processes during the year ended 31st March 2022 and 31st March 2021. Capital Consists of Share Capital and Retained Earnings and is measured at Balance of AED. 815,415/- as at 31st March 2022. (2021: AED. 232,353/-)

e) Impairment of Trade Receivables

An estimate of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the reporting date, gross trade receivables was AED. 281,845/- (2021: AED. 207,441/-), with provision for doubtful debts AED. NIL/- (2021. AED. NIL/-). Any difference between the amounts actually collected in future periods and the amounts expected will be recognized in the statement of comprehensive income.

f) Useful Lives of Property and Equipment

The Establishment's management determines the estimated useful lives of its property and equipment for calculating depreciation. This Estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

s) Contingencies and commitments:

As at 31st March 2022 the Establishment doesn't have any contingencies and commitments.

t) Exchange Rate Risk:

Since the main currencies of the financial instruments, other assets, liabilities and trading transactions including purchase and sales are UAE Dirhams and US Dollars, the Establishment is not exposed to any significant exchange rate risk.

u) Financial Charges:

The Financial Charges includes bank charges.

v) Corresponding Figures:

The corresponding figures of the previous year are comparable as these comprise the financial position and operating results for the year ended 31st March 2021, while the current figures comprised the financial position and operating results for the year ended 31st March 2022. Reclassification has been made wherever necessary, for the purpose of better presentation of financial information.

w) Subsequent Events:

There were no significant events subsequent to the year ended 31st March 2022 and occurring before the date of signing of the financial statements that would have a significant impact on these financial statements.

Amara Raja Batteries Middle East (FZE)
SAIF Zone, Sharjah – UAE.

5. Share Capital 31st March 2022

Authorized, Subscribed, Issued, and Paid up Share Capital;

(2 Shares of AED.150,000/- each)		AED. 300,000/-

Held By

Shareholder and its holdings;

M/s. Amara Raja Batteries Limited, Incorporated in India *(Represented by Mr. Rohit Arora, Indian National)*	2 Shares	AED. 300,000/-
Total	2 Shares	AED. 300,000/-

Rohit Arora

6. Property, Plant and Equipment

	Office Equipments	Total
	AED	AED
Cost		
Opening Value	493	493
Additions	-	-
Deletions	-	-
Total Cost	493	493
Depreciation		
Accumulated as on 01st April 2021	468	468
Charge for the year	-	-
Accumulated as on 31st March 2022	468	468
Closing Value		
As on 31st March 2021	25	25
As on 31st March 2022	25	25

	Mar-22	Mar-21
	AED	AED
7. Other Non Current Assets		
Refundable Deposits	6,050	6,050
	6,050	6,050

8. Cash & Cash Equivalents		
Cash at Bank	264,158	101,212
	264,158	101,212

Cash and Cash Equivalents are items, which are readily convertible to known amounts of Cash and which are subject to insignificant risk of change in value.

9. Trade & Other Receivables		
Trade Receivables	281,845	207,441
	281,845	207,441
Ageing Analysis:		
0 - 30 Days	*281,845*	*206,701*
31 - 90 Days	-	*497*
Above 90 Days	-	*243*
	281,845	*207,441*
Geographical Analysis:		
Within UAE	*281,845*	*206,780*
Within GCC	-	*661*
	281,845	*207,441*

The Establishment uses an allowance account when recognizing impairment losses on its receivables unless otherwise determined that the likelihood of collection is remote, in which the Establishment directly charges the loss against its receivables. The Establishment writes off receivables if after exhausting prudent collection procedures, the Management assessed that the possibility of collection is remote.

The Management considers the all the trade receivables as good and hence has not made any provision for bad and Doubtful debts as on the date of Statement of Financial Position.

Amara Raja Batteries Middle East (FZE)
SAIF Zone, Sharjah - UAE

31st March 2022

Notes to the Financial Statements

	Mar-22	Mar-21
	AED	AED
10. Inventory		
Value of Stock of Materials	397,113	420,971
	397,113	420,971

Verification of stocks were carried out by the management at regular intervals to ascertain the existence of slow-moving items, etc. No Provision for slow moving items have been made in the books of accounts as there are no slow moving items forming part of the inventory.

11. Due from Related Party		
M/s. Amara Raja Batteries Ltd	477,111	22,960
	477,111	22,960

The company, in its normal course of business, enters in to transactions with companies that fall under definition of "Related Party" of International Accounting Standard 24. Related parties comprise companies & entities under common ownership and/or common management & in which control & management is vested with shareholders or key managerial personnel. Such transactions are in normal course of business and at terms that correspond to those on normal arms-length transactions with third parties.

Transactions with Due from Related Party are as under:		
Receivables against Provision of Services	477,111	22,960
	477,111	22,960

12. Other Current Assets		
VAT Receivables	5,246	3,116
Advance to Suppliers	2,633	-
Deposits & Advances	10,370	-
	18,249	3,116

Amara Raja Batteries Middle East (FZE)
SAIF Zone, Sharjah - UAE

31st March 2022

Notes to the Financial Statements

	Mar-22	Mar-21
	AED	AED
13. Due to Related Party		
M/s. Amara Raja Batteries Ltd	554,158	475,782
	554,158	475,782

The Establishment, in its normal course of business, enters in to transactions with companies that fall under definition of "Related Party" of International Accounting Standard 24. Related parties comprise companies & entities under common ownership and/or common management & in which control & management is vested with shareholders or key managerial personnel. Such transactions are in normal course of business and at terms that correspond to those on normal arms-length transactions with third parties.

Transactions with Due to Related Party are as under:		
Payables against Purchase of Goods	*554,158*	*475,782*
	554,158	*475,782*

14. Trade & Other Payables		
Other Payables	956	16,491
	956	16,491
15. Other Current Liabilities		
Advance from customer	15,968	-
	15,968	-
16. Accruals & Provisions		
Accrued Expenses	25,902	15,448
	25,902	15,448

	Mar-22	Mar-21
	AED	AED
17. Provision for Employee Benefits		
Provision for Employee Benefits	32,152	21,701
	32,152	21,701

The Provision for end of service benefits for employees is made in accordance with the requirements of the UAE Labour Laws. This is an unfunded defined benefits retirement plan. Employees are entitled to benefits based on the length of service and final remuneration. Accrued employees' terminal benefits are payable on termination of employment.

18. Retained Earnings		
Balance at the beginning of the year	(67,647)	(126,519)
Add: Net Profit for the year	583,062	58,872
Balance at the end of the year	515,415	(67,647)

F. Sales		
Sale of Products	2,550,060	1,187,546
Sale of Services	477,111	253,443
	3,027,171	1,440,989
VAT Analysis:		
Out Of Scope	2,550,060	1,187,546
Zero Rated	477,111	253,443
	3,027,171	1,440,989

G. Cost of Sales		
Opening Stock	420,971	185,295
Net Purchases	1,921,108	1,177,195
	2,342,079	1,362,490
Closing Stock	397,113	420,971
	1,944,966	941,519

Amara Raja Batteries Middle East (FZE)
SAIF Zone, Sharjah - UAE

31st March 2022

Notes to the Financial Statements

	Mar-22	Mar-21
	AED	AED
H. Employee Cost & Benefits		
Salaries & Benefits	268,655	297,002
	268,655	297,002

I. General and Administration Expenses		
Rent & Accommodation	69,249	41,968
Insurance Charges	-	459
Communication Cost	5,913	9,819
Foreign Exchange Loss	4,768	1,240
Bad Debts	998	-
License, Professional & Other Legal Charges	46,925	28,336
Freight Outward	-	1,270
Rates & Taxes	89,185	41,720
Travelling & Conveyance Expenses	6,436	11,379
	223,474	136,191

Amara Raja Batteries Middle East (FZE)
SAIF Zone, Sharjah - UAE

31st March 2022

Performance Analysis

	Mar-22 AED	Mar-21 AED
Particulars		
Sales	3,027,171	1,440,989
Cost of Sales	1,944,966	941,519
Gross Profit	1,082,205	499,470
Gross Profit Ratio	35.75%	34.66%
Other Income	-	-
Indirect Expenses	499,143	440,598
Net Profit	583,062	58,872
Net Profit Ratio	19.26%	4.09%
Depreciation	-	193
Cash Profit	583,062	59,065
Liquidity Ratios		
Current Ratio	2.41	1.49
Current Assets/ Current Liabilities		
Quick Ratio or Liquid Ratio	0.91	0.61
(Cash + Marketable Securities + Trade receivables) / Current Liabilities		
Debt-to-Asset Ratio	0.44	0.69
Total Liabilties / Total Assets		
RATES OF RETURN		
Return on Equity	0.72	0.25
Net Income/ Total Shareholder Equity		
Return on Assets		
Net Income/ Total Assets	0.40	0.08