ADANI GLOBAL DMCC

FINANCIAL STATEMENTS AND REPORTS
YEAR ENDED 31 MARCH 2023

ADANI GLOBAL DMCC

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ADANI GLOBAL DMCC

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Directors have pleasure in submitting the financial statements of Adani Global DMCC (the "Company"), Jumeirah Lakes Towers, Dubai for the year ended 31 March 2023.

Turnover, profit and dividend

The turnover of the Company for the year ended 31 March 2023, amounted to AED 46,569,907 as compared to AED 37,475,876 in the previous year. The directors are confident of achieving growth, both in revenue and profitability in the coming years.

The profit for the year amounted to AED 176,246. The directors do not recommend any dividend for the year ended 31 March 2023.

Business activity

The Company's business activities as per trade license are trading in refined oil products abroad, solar energy systems & components trading, coal & firewood trading and metal ores trading. However, Company's principal activity during the year was trading in coal.

Events after the reporting date

There were no major events occurred after the reporting date which materially affect the financial statements for the year ended 31 March 2023.

Directors

The Directors of the Company as at 31 March 2023 were as follows:

Mr. Pranav Sevanti Vora	American national
Mr. Vishwas Shah	Indian national

Independent auditor

PKF, Chartered Accountants, Dubai were appointed as independent auditor of the Company for the year ended 31 March 2023. A resolution to re-appoint them for the year ending 31 March 2024 will be proposed at the forthcoming annual general meeting.

For and on behalf of the Board of Directors of
ADANI GLOBAL DMCC

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Directors
19 April 2023

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STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	2023 AED '000	2022 AED '000
ASSETS			
Non-current asset			
Property, plant and equipment	6	**4,987**	712
Current assets			
Loan to a third party	7	**2,412**	1,074
Trade and other receivables	8	**7,474**	15,117
Other current assets	9	**311**	36
Cash and cash equivalents	11	**1,053**	1,809
		11,250	18,036
Total assets		**16,237**	18,748
EQUITY AND LIABILITIES			
Equity funds			
Share capital	12	**1,000**	1,000
Retained earnings		**6,030**	5,854
Total equity funds		**7,030**	6,854
Non-current liabilities			
Provision for staff end-of-service benefits	13	**818**	694
Current liabilities			
Trade and other payables	14	**8,389**	11,200
		8,389	11,200
Total liabilities		**9,207**	11,894
Total equity and liabilities		**16,237**	18,748

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 4.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved and authorised for issue by the directors on 19 April 2023 and signed on their behalf by Mr. Pranav Sevanti Vora.

For **ADANI GLOBAL DMCC**

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Pranav Vora
Director

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 AED '000	2022 AED '000
Revenue	16	**46,570**	37,476
Purchases of inventory (including direct costs)		**(46,555)**	(37,100)
Gross profit		**15**	376
Other operating income	17	**267**	178
Staff costs	18	**(266)**	(281)
Other operating expenses	19	**(35)**	(25)
Finance income	20	**219**	54
Finance costs	21	**(24)**	(65)
PROFIT FOR THE YEAR		**176**	237
Other comprehensive income:			
Other comprehensive income for the year		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**176**	237

The accompanying notes form an integral part of these financial statements.
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital AED '000	Retained earnings AED '000	Total AED '000
Balance at 1 April 2021	1,000	5,617	6,617
Total comprehensive income for the year	--	237	237
Balance at 31 March 2022	1,000	5,854	6,854
Total comprehensive income for the year	--	176	176
Balance at 31 March 2023	**1,000**	**6,030**	**7,030**

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 AED '000	2022 AED '000
Cash flows from operating activities		
Profit for the year	**176**	237
Adjustments for:		
Depreciation of property, plant and equipment	**450**	293
Profit on disposal of property, plant and equipment	**(263)**	(153)
Reversal of provision for impairment of advance to suppliers	**--**	(25)
Interest income	**(219)**	(54)
	144	298
Changes in:		
- Trade and other receivables	**7,723**	3,086
- Other current assets	**(136)**	192
- Trade and other payables	**(2,667)**	(161,019)
- Other current liabilities	**--**	(68)
Staff end-of service benefits paid	**(20)**	(23)
Net cash from/(used in) operating activities	**5,044**	(157,534)
Cash flow from investing activities		
Payments for property, plant and equipment	**(4,895)**	(757)
Proceeds from disposal of property, plant and equipment	**433**	178
Receipt from related parties (net)	**--**	157,810
Loan to a third party	**(1,338)**	--
Net cash (used in)/ from investing activities	**(5,800)**	157,231
Net decrease in cash and cash equivalents	**(756)**	(303)
Cash and cash equivalents at beginning of year	**1,809**	2,112
Cash and cash equivalents at end of the year (note 11)	**1,053**	1,809

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 4.



1. LEGAL STATUS AND BUSINESS ACTIVITY

a) **ADANI GLOBAL DMCC** (the "Company") is a free zone company registered with Dubai Multi Commodity Centre Authority, Dubai, United Arab Emirates, in accordance with the provisions of Dubai Multi Commodities Centre DMCC Company Regulations 2020. The registered address is Unit No. 2704, Jumeirah Business Centre 5, Plot No.JLT-PH2-W1A, Jumeirah Lake Towers, Dubai, UAE. The Company was registered on 12 June 2017 and was formed by changing the legal status from a branch "Adani Global FZE (Branch)" to a DMCC company.

b) The Company's business activities as per the trade license number DMCC-30757 issued by Dubai Multi Commodities Centre are trading in refined oil products abroad, solar energy systems & components trading, coal & firewood trading, metal ores trading, basic non-ferrous metal products trading, scrap and metal waste trading, ghee & vegetable oil trading and grains, cereals & legumes trading. However, Company's principal activity during the year was trading in coal.

c) The parent company is Adani Global FZE, a free zone establishment in Jebel Ali Free Zone, UAE and the ultimate parent company is Adani Enterprises Limited, a public limited company incorporated in India.

2. BASIS OF PREPARATION

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 April 2022, and the requirements of the applicable provisions of Dubai Multi Commodities Centre Authority Company Regulations 2020.

b) **Basis of measurement**

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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d) **Adoption of new International Financial Reporting Standards**

Standards, amendments, improvements and interpretations effective for the current year

The following amendments, improvements and interpretations which became effective for current period, did not have any significant impact on the Company's financial statements:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 1
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
  - IFRS 1 First-time Adoption of International Financial Reporting Standards
  - IAS 41 Agriculture

New and revised IFRSs in issue but not yet effective and not early adopted

The following amendments, improvements and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (1 January 2023)
- Definition of Accounting Estimates – Amendments to IAS 8 (1 January 2023)

e) **Functional and presentation currency**

The Company`s functional currency is US Dollars based on the fact that a significant portion of its sales and purchases are denominated and settled in that currency. However, the financial statements are presented in UAE Dirhams ("AED") being the currency of country of domicile. Amounts in UAE Dirhams are translated to US Dollars using the exchange rate of 1 US$ = AED 3.67 and rounded to the nearest thousand, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

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Office units	6 – 7 years
Office equipment	5 years
Vehicles	3 – 5 years

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in profit or loss.

b) **Impairment of tangible assets**

At each reporting date, the management reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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c) **Staff benefits**

The Company provides staff end-of-service benefits to its non-UAE national employees as per the applicable local laws, the entitlement to these benefits is based on the employees' last drawn salary and length of services which is accrued over the period of employment. Provision for staff end of services benefits are disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave and air fare for eligible employees as per the policy of the Company. Provision relating to annual leave and air fare is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

d) **Revenue recognition**

The Company is in the business of trading in refined oil products abroad, solar energy systems & components trading, coal & firewood trading, metal ores trading, basic non-ferrous metal products trading, scrap and metal waste trading, ghee & vegetable oil trading and grains, cereals & legumes trading. However, Company's principal activity during the year was trading in coal.

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

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

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



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

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

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods

The sales are high sea sales, i.e. the supplier ships goods directly to the customers. The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the goods is transferred to the customer, generally on delivery of the goods.

e) **Interest income**

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

f) **Leases**

The Company has taken office premises on lease. Rental contracts are typically made for fixed period of one year but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets may not be used as security for borrowing purposes.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

g) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and bank balances in current accounts.



h) **Foreign currency transactions**

Transactions in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

i) **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

j) **Contingencies and commitments**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

k) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person.

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Company files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposits the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT Payable are offset and the net amount is reported in the statement of financial position as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.



l) **Current versus non-current classification**

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period. or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

m) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

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Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

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

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies apply to the subsequent measurement of financial assets and financial liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss, using the effective interest method. All other financial assets are subsequently measured at fair value.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

Foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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The financial assets at amortised cost comprise of trade and other receivables, loan to a third party and cash and cash equivalents.

Financial liabilities at amortised cost
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost comprise of trade and other payables.

Impairment of financial assets
The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- Bank balances, other receivables and loan to a third party for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company has elected to measure loss allowances for trade receivables at an amount equal to lifetime ECLs. The Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognised a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.



The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- The customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

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

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

n) **Fair value measurement**

The Company discloses the fair value of financial instruments measured at amortised cost.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

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4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect expected credit losses, which are determined on a probability-weighted basis.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

The Company determined that the sale of goods is provided as a single component to customers and accordingly it becomes single performance obligation in respect of the goods being sold.

Determine timing of satisfaction of performance obligation

The Company concluded that the revenue from sales of goods is to be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due at the end of credit period.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Impairment

Assessments of net recoverable amounts of property, plant and equipment are based on assumptions regarding future cash flows expected to be received from the related assets.

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Impairment of financial assets

The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(m).

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 817,552 (previous year AED 694,290), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

6. PROPERTY, PLANT AND EQUIPMENT

	Office units [a]	Office equipment	Vehicles	Total
	AED '000	AED '000	AED '000	AED '000
Cost				
At 1 April 2021	3,016	168	938	4,122
Additions	--	172	585	757
Disposals	--	--	(307)	(307)
At 31 March 2022	3,016	340	1,216	4,572
Additions	--	516	4,379	4,895
Disposals	--	--	(633)	(633)
At 31 March 2023	**3,016**	**856**	**4,962**	**8,834**
Accumulated depreciation				
At 1 April 2021	3,016	67	766	3,849
Depreciation for the year	--	61	232	293
Adjustment relating to disposals	--	--	(282)	(282)
At 31 March 2022	3,016	128	716	3,860
Depreciation for the year	--	112	338	450
Adjustment relating to disposals	--	--	(463)	(463)
At 31 March 2023	**3,016**	**240**	**591**	**3,847**
Carrying amount				
At 1 April 2021	--	101	172	273
At 31 March 2022	--	212	500	712
At 31 March 2023	--	**616**	**4,371**	**4,987**

(a) Office units represent four office units in Jumeirah Business Center – 5, Dubai, with cost AED 3,015,880 (previous year AED 3,015,880) having carrying value AED Nil (previous year: AED Nil).

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		2023 AED '000	2022 AED '000
7.	**LOAN TO A THIRD PARTY**		
	Opening balance	**1,074**	1,074
	Loan given during the year	**1,338**	--
	Closing balance	**2,412**	1,074

The loan to a third party is unsecured and repayable on demand along with interest. The loan amounts of AED 1,073,842 and 1,337,715 carry interest rate of 5% per annum and 8% per annum respectively.

8.	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	**7,082**	7,082
	Advances to staff	**143**	67
	Deposits	**48**	1,427
	Accrued interest on loan to a third party	**198**	118
	Other receivables	**3**	6,423
		7,474	15,117

An age analysis of trade receivables as at the reporting date is as follows:

Trade receivables not past due	**7,082**	--
Trade receivables past due but not impaired		
• Over 365 days	**--**	7,082

The Company does not hold any collateral against the trade receivables (previous year AED Nil).

9.	**OTHER CURRENT ASSETS**		
	Advance for goods and services	**152**	--
	Prepayments	**28**	28
	VAT receivable (net)	**131**	8
		311	36

A reconciliation of the movements in the provision for impairment of advances to suppliers is as follows:

Opening balance	**--**	263
Provision no longer required	**--**	(25)
Amount written-off during the year	**--**	(238)
Closing balance	**--**	--

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10. RELATED PARTIES

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at arm's length price.

Related parties comprise parent company, intermediate parent company, ultimate parent company, fellow subsidiaries, companies under common ownership and/or common management control and directors.

At the reporting date, significant balances with related parties were as follows:

	Parent company	Fellow subsidiaries	Companies under common ownership and/or common management control	Total 2023	Total 2022
	AED`000	AED '000	AED '000	AED '000	AED '000
Included in trade and other receivables	--	--	7,082	7,082	
	--	--	13,497		13,497
Included in trade payables	7,685	--	--	7,685	
	10,519	--	--		10,519

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 23.

Significant transactions with related parties during the year were as follows:

	Parent company	Fellow subsidiaries	Total 2023	Total 2022
	AED`000	AED '000	AED '000	AED '000
Purchases	46,555	--	46,555	
	37,100	--		37,100
Staff costs recharged to a related party (net)	4,206	--	4,206	
	3,881	--		3,881
Depreciation recharged to a related party	450	--	450	
	293	--		293
Other expenses recharged to a related party	9,404	--	9,404	
	2,421	--		2,421

The Company also provides funds to/receives funds from related parties free of interest/at agreed interest rates as and when required.

Administrative and staff related services are availed from/given to a related party as per agreed rates.

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		2023 AED '000	2022 AED '000
11.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	**79**	36
	Bank balances in current accounts	**974**	1,773
		1,053	1,809
12.	**SHARE CAPITAL**		
	Issued and paid up		
	1,000 fully paid shares of AED 1,000 each held by Adani Global FZE, Dubai, U.A.E.	**1,000**	1,000
13.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Opening balance	**694**	622
	Recharge to a related party (note 18)	**144**	95
	Paid during the year	**(20)**	(23)
	Closing balance	**818**	694
14.	**TRADE AND OTHER PAYABLES**		
	Trade payables	**7,685**	10,530
	Accruals	**13**	13
	Other payables	**691**	657
		8,389	11,200

The entire trade and other payables are due for payment within one year from the reporting date.

15. **MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholder with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from previous year, comprises equity funds as presented in the statement of financial position. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the DMCC implementing regulations. The Company has complied with all the capital requirements to which it is subject.

Funds generated from internal accruals together with funds received from related parties net of funds provided to related parties are retained in the business, according to the business requirements and to maintain capital at desired levels.

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16. REVENUE

The Company generates revenue from the transfer of goods at a point in time. The disaggregated revenue from contracts with customers by geographical segments, type of goods and timing of revenue recognition is presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	2023 AED '000	2022 AED '000
Primary geographical segments		
- Other Asian countries	**46,570**	37,476
Major goods lines		
Trading		
- Coal	**46,570**	37,476
Timing of revenue recognition		
- At a point in time	**46,570**	37,476

17. OTHER OPERATING INCOME

Profit on disposal of property, plant and equipment	**263**	153
Net exchange gains	**4**	--
Reversal of provision of impairment of advance to suppliers	**--**	25
	267	178

18. STAFF COSTS

Staff salaries and benefits	**4,328**	4,067
Less: recharged to a related party	**(4,062)**	(3,786)
Sub-total (A)	**266**	281
Staff end-of-service benefits	**144**	95
Less: recharged to a related party (note 13)	**(144)**	(95)
Sub-total (B)	**--**	--
Total (A+B)	**266**	281

19. OTHER OPERATING EXPENSES

Professional, legal and registration fees	**25**	25
Other expenses	**10**	--
	35	25

20. FINANCE INCOME

Interest from loan to a third party	**80**	54
Interest on advance given to vendor	**139**	--
	219	54

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		2023 AED '000	2022 AED '000
21.	**FINANCE COSTS**		
	Bank charges	24	65
22.	**DEPRECIATION**		
	Depreciation	450	293
	Less: recharged to a related party	(450)	(293)
		--	--

23. **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Financial instruments

Classification and fair values

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
	2023 AED '000	2022 AED '000
Financial assets		
Loan to a third party	2,412	1,074
Trade and other receivables	7,474	15,117
Cash and cash equivalents	1,053	1,809
	10,939	18,000
Financial liabilities		
Trade and other payables	8,389	11,200

Fair value measurement and disclosures

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, loan to a third party, trade and other receivables, and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimizing the exposure to financial markets.

The Company does not actively engage in trading of financial assets for speculative purpose.

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The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank balances, trade and other receivables and loan to a third party.

The Company's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from trade and other receivables and loan to a third party taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

Trade and other receivables are stated net of the allowance for expected credit losses in aggregate at AED 7,081,617 (previous AED 7,081,617). At the reporting date, 100% of such receivables was due from one party situated in Singapore and engaged in solar and coal trading business (previous year 98% of such receivables were due from two parties situated in India and engaged in renewable energy generation business).

Significant concentration of credit risk of trade receivables by industry are as follows:

	2023 AED`000	2022 AED`000
Solar and its related components	7,082	7,082

The Company uses an allowance matrix to measure the expected credit losses of trade receivables, which comprise a number of balances. Loss rates are calculated using a 'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

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Based on the assessment, the management believes that the impairment requirement under IFRS 9 does not have any significant impact on the financial statements.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

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. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company limits its liquidity risk by ensuring adequate bank facilities are available.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year		Total	
	2023	2022	**2023**	2022
	AED'000	AED'000	**AED'000**	AED'000
Trade and other payables	**8,389**	11,200	**8,389**	11,200

Market risk

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

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirham or US Dollar to which the Dirham is fixed.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

Loans to a third party are subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed to fair value interest rate risk.

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24. CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance issued the Federal Decree-Law No. (47) of 2022 introducing Corporate Tax, effective for financial years commencing on or after 1 June 2023. The rate of corporate tax is 9% on the taxable income exceeding AED 375,000 and 0% for qualifying free zone companies on their qualifying income, subject to meeting specified conditions. There is no impact of this law on the financial statements of the Company for the year ended 31 March 2023. Management will assess the implications of this Federal Corporate Tax for the Company in due course.

For **ADANI GLOBAL DMCC**

Pranav Vora
Director

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