

Vega Industries (Middle East) - F.Z.C
Ajman Free Zone
Ajman

Separate Financial Statements
31 March 2023

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
VEGA INDUSTRIES (MIDDLE EAST) - F.Z.C, AJMAN FREE ZONE, AJMAN****Report on the Audit of the Separate Financial Statements****Opinion**

We have audited the separate financial statements of Vega Industries (Middle East) - F.Z.C, Ajman Free Zone, Ajman ("the Company"), which comprise the separate statement of financial position as at 31 March 2023, and the separate statement of comprehensive income, separate statement of changes in shareholders' funds and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including the significant accounting policies, set out on pages 3 to 24.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the separate financial statements in the United Arab Emirates, and we have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate 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 separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
VEGA INDUSTRIES (MIDDLE EAST) - F.Z.C, AJMAN FREE ZONE, AJMAN (Continued)**

Auditor's Responsibilities for the Audit of the Separate Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Moore Stephens

Moore Stephens

Farad K. Lakdawala
Registration No. 341

17 May 2023

Dubai, United Arab Emirates



VEGA INDUSTRIES (MIDDLE EAST) - F.Z.C
AJMAN FREE ZONE, AJMAN
Separate financial statements for the year end 31 March 2023

Separate statement of comprehensive income

(stated in USD)

	Note	2023	2022
Income			
Revenue from contracts with customers	3.3 a) and 4	408,168,750	386,660,590
Cost of sales	5	(346,001,377)	(321,754,057)
Gross profit		62,167,373	64,906,533
Other income	6	828,458	867,102
Recovery of impairment losses on financial assets (net)	19.1 b)	55,447	--
		63,051,278	65,773,635
Expenses			
General and administration	7	7,135,043	5,338,518
Selling and distribution	8	39,316,265	43,505,716
Depreciation	9	39,833	18,955
Impairment losses on financial assets (net)	19.1 b)	--	10,293
		46,491,141	48,873,482
Profit and total comprehensive income for the year		16,560,137	16,900,153

The attached notes 1 to 21 form part of these separate financial statements.

VEGA INDUSTRIES (MIDDLE EAST) - F.Z.C
AJMAN FREE ZONE, AJMAN

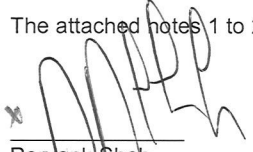
Separate financial statements for the year end 31 March 2023

Separate statement of financial position

(stated in USD)

	Note	2023	2022
Assets			
Non-current assets			
Furniture and equipment	9	160,453	45,516
Investments in subsidiaries	10	1,938,460	1,938,460
Financial assets at fair value through profit or loss	11	5,395,363	5,643,550
Total non-current assets		7,494,276	7,627,526
Current assets			
Inventories	12	10,545,877	12,866,270
Accounts and other receivables	13	150,472,488	167,839,863
Bank and cash balances	14	15,885,502	4,948,031
Total current assets		176,903,867	185,654,164
Total assets		184,398,143	193,281,690
Shareholders' funds and liabilities			
Shareholders' funds			
Share capital	15	325,000	325,000
Retained earnings		33,798,281	27,573,144
Total shareholders' funds		34,123,281	27,898,144
Liabilities			
Non-current liability			
Employees' terminal benefits	16	255,312	222,218
Total non-current liability		255,312	222,218
Current liability			
Accounts and other payables	17	150,019,550	165,161,328
Total current liability		150,019,550	165,161,328
Total liabilities		150,274,862	165,383,546
Total shareholders' funds and liabilities		184,398,143	193,281,690

The attached notes 1 to 21 form part of these separate financial statements.


Paryank Shah
Director
17 May 2023

VEGA INDUSTRIES (MIDDLE EAST) - F.Z.C
AJMAN FREE ZONE, AJMAN
 Separate financial statements for the year end 31 March 2023

Separate statement of changes in shareholders' funds

(stated in USD)

	Share capital	Retained earnings	Total
Balance at 1 April 2022	325,000	27,573,144	27,898,144
Profit and total comprehensive income for the year	--	16,560,137	16,560,137
Dividend paid during the year	--	(10,335,000)	(10,335,000)
Balance at 31 March 2023	325,000	33,798,281	34,123,281

	Share capital	Retained earnings	Total
Balance at 1 April 2021	325,000	21,885,491	22,210,491
Profit and total comprehensive income for the year	--	16,900,153	16,900,153
Dividend paid during the year	--	(11,212,500)	(11,212,500)
Balance at 31 March 2022	325,000	27,573,144	27,898,144

The attached notes 1 to 21 form part of these separate financial statements.

VEGA INDUSTRIES (MIDDLE EAST) - F.Z.C
AJMAN FREE ZONE, AJMAN
Separate financial statements for the year end 31 March 2023

Separate statement of cash flows

(stated in USD)

	Note	2023	2022
Cash flows from operating activities			
Profit for the year		16,560,137	16,900,153
Adjustments for:			
Depreciation	9	39,833	18,955
Unrealised loss on fair valuation of financial assets at fair value through profit or loss	7 and 11	248,187	355,172
Realised loss on fair valuation of financial assets at fair value through profit or loss	7 and 11	--	5,522
Interest income from financial assets at fair value through profit or loss	6	(266,966)	(207,629)
Dividend income from subsidiaries	6	(38,638)	(55,214)
(Recovery of)/impairment losses on financial assets (net)	19.1 b)	(55,447)	10,293
Reversal of unutilised warranty provision	6	(287,536)	(166,753)
Provision for employees' terminal benefits	16	33,094	25,410
Cash flows from operations before working capital changes		16,232,664	16,885,909
Decrease/(increase) in inventories		2,320,393	(1,884,899)
Decrease/(increase) in accounts and other receivables		17,422,822	(51,963,830)
(Decrease)/increase in accounts and other payables		(14,854,242)	28,559,190
Decrease/(increase) in margin money deposits under lien		123,700	(64,004)
Net cash from/(used in) operating activities		21,245,337	(8,467,634)
Cash flows from investing activities			
Purchase of furniture and equipment	9	(154,770)	(10,027)
Purchase of financial assets at fair value through profit or loss	11	--	(2,003,256)
Proceeds from disposals of financial assets at fair value through profit or loss	11	--	250,000
Dividend income received from subsidiaries	6	38,638	55,214
Interest received from financial assets at fair value through profit or loss	6	266,966	207,629
Net cash from/(used in) investing activities		150,834	(1,500,440)
Cash flows from financing activity			
Dividends paid during the year		(10,335,000)	(11,212,500)
Net cash (used in) financing activity		(10,335,000)	(11,212,500)
Increase/(decrease) in cash and cash equivalents during the year			
		11,061,171	(21,180,574)
Cash and cash equivalents at the beginning of the year		4,805,512	25,986,086
Cash and cash equivalents at the end of the year	14	15,866,683	4,805,512

The attached notes 1 to 21 form part of these separate financial statements.

VEGA INDUSTRIES (MIDDLE EAST) - F.Z.C
AJMAN FREE ZONE, AJMAN
Separate financial statements for the year end 31 March 2023

Notes to the separate financial statements

(stated in USD)

1. Legal status and principal activities

Vega Industries (Middle East) - F.Z.C ("the Company") is registered a Free Zone Company in accordance with the free zone laws and regulations in Ajman, United Arab Emirates.

The Company is controlled and substantially owned by AIA Engineering Limited ("the parent company"), a company listed in the National Stock Exchange of India. The Company has seven subsidiaries that are located in United Kingdom, Republic of South Africa, People's Republic of China, Indonesia, Republic of Chile, Republic of Ghana and Commonwealth of Australia.

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (MoF) released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses to enact a new corporate tax (CT) regime in the UAE. The new CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The principal activity of the Company is trading, import and export of metal ore items.

The principal place of business of the Company is located at A1-304, A1-306 and A1-314, Ajman Free Zone, Ajman.

2. Adoption of new and revised International Financial Reporting Standards

2.1 New standards, amendments and interpretations to existing standards effective 1 April 2022

There are no new standards, amendments or interpretations to existing standards that are effective for accounting period of the Company beginning on 1 April 2022 that have a material effect on the separate financial statements of the Company.

2.2 Amendments to existing standards that are not yet effective and have not been adopted early by the Company

The following amendments to existing standards that are applicable to the Company have been published and are mandatory for accounting periods of the Company beginning after 1 April 2022 but which have not been adopted early by the Company:

- a) Amendments to IAS 8, 'Accounting policies, changes in accounting estimates and errors' introduce the definition of accounting estimates. The amendments also help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are applicable for annual periods commencing on or after 1 January 2023.
- b) Amendments to IAS 1 'Presentation of separate financial statements' require an entity to disclose its material accounting policy information rather than its significant accounting policies. Consequently, the IFRS Practice Statement 2 (Making Material Judgements) has also been amended to illustrate how an entity can judge whether accounting policy information is material to its separate financial statements. The amendments are applicable for annual periods commencing on or after 1 January 2023.

The management believes that the adoption of the above amendments is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the separate financial statements for future.

3. Basis of preparation and significant accounting policies and estimates

3.1 Basis of preparation

These financial statements represent the separate financial statements of the Company in which the investments in subsidiaries are accounted at cost less any impairment provisions as explained in the respective accounting policy notes set out below. As required by International Financial Reporting Standards, the parent company (AIA Engineering Limited) has prepared consolidated financial statements in which the financial statements of the subsidiaries are consolidated.

These separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The separate financial statements are presented in US Dollars (USD).

VEGA INDUSTRIES (MIDDLE EAST) - F.Z.C AJMAN FREE ZONE, AJMAN

Separate financial statements for the year end 31 March 2023

3. Basis of preparation and significant accounting policies and estimates (Continued)

3.2 Basis of measurement

These separate financial statements have been prepared on the historical cost basis. The principal accounting policies that have been applied consistently by the Company to all periods presented in these separate financial statements are set out below.

3.3 Significant accounting policies

a) Revenue recognition

Revenue from contracts with customers is recognised when 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 has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at a point in time when control of the asset is transferred to the customer, normally on delivery to the customer.

Delivery occurs when the goods have been shipped to the specific location, the risks of loss have been transferred to the customer, and either the customer has accepted the products in accordance with the contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The normal credit terms are 30 days to 120 days from invoice date.

Warranties

Contracts with customers often include warranties in line with Group's general terms and conditions, which are regarded as part of the promise to the customer. Assurance-type warranties are warranties for general repairs of defects that existed at the time of sale and are accounted for under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

Advances from customers

The Company generally receives short-term advances from its customers. For short-term advances received from customers, the Company used the practical expedient. As such, the Company will not adjust the promised amount of the consideration for the effects of a financing component in contracts, where the Company expects, at contract inception, that the period between the time the customer pays for the good or service and when the Company transfers that promised good or service to customer will be one year or less.

Others

- Management fee represents amount charged to a subsidiary for the services rendered by the Company.
- Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

b) Furniture and equipment

Furniture and equipment are stated in the separate statement of financial position at cost less accumulated depreciation and any recognised impairment loss.

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 item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the separate statement of comprehensive income during the financial period in which they are incurred.

The residual values and useful lives of furniture and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation is charged on assets so as to write off the cost of assets, over their estimated useful lives, less estimated residual value, using the straight-line method on the following bases:

VEGA INDUSTRIES (MIDDLE EAST) - F.Z.C
AJMAN FREE ZONE, AJMAN
Separate financial statements for the year end 31 March 2023

3. Basis of preparation and significant accounting policies and estimates (Continued)

3.3 Significant accounting policies (Continued)

b) Furniture and equipment (Continued)

Furniture and fixtures	4 years
Office equipment	4 years
Computers	4 years
Motor vehicles	4 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the separate statement of comprehensive income.

c) Impairment of non-financial assets

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

d) Financial instruments – recognition, classification, measurement, derecognition and offsetting

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.

(i) Recognition and initial measurement

Trade accounts receivable and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets: Classification

On initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVPL).

The Company has not classified and measured any financial asset at FVOCI. All recognised financial assets are measured subsequently at either amortised cost or FVPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL or FVOCI:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified or measured at amortised cost or FVOCI are measured at FVPL.

VEGA INDUSTRIES (MIDDLE EAST) - F.Z.C
AJMAN FREE ZONE, AJMAN
Separate financial statements for the year end 31 March 2023

3. Basis of preparation and significant accounting policies and estimates (Continued)

3.3 Significant accounting policies (Continued)

d) Financial instruments – recognition, classification, measurement, derecognition and offsetting (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets: Classification (Continued)

The Company's financial assets include accounts and other receivables and bank and cash balances, are classified and subsequently measured at amortised cost. The Company's financial assets also include quoted debt investments which are classified and subsequently measured at FVPL.

Financial assets: Subsequent measurement and gains and losses

- Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the separate statement of comprehensive income. Any gain or loss on derecognition is recognised in the separate statement of comprehensive income.
- Quoted debt investments at FVPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the separate statement of comprehensive income.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVPL. The Company has not classified and measured any financial liability as FVPL. Financial liabilities classified at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the separate statement of comprehensive income. Any gain or loss on derecognition is also recognised in the separate statement of comprehensive income.

The Company's financial liabilities, which include accounts and other payables, are classified and subsequently measured at amortised cost.

(iii) Derecognition

Financial assets

A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is derecognised either when:

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

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

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the separate statement of comprehensive income.

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Separate financial statements for the year end 31 March 2023

3. Basis of preparation and significant accounting policies and estimates (Continued)

3.3 Significant accounting policies (Continued)

d) Financial instruments – recognition, classification, measurement, derecognition and offsetting (Continued)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the separate statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade accounts receivable; and
- Other financial assets at amortised cost

In case of trade accounts receivable, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. The Company has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the customers/debtors and the economic environment. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the separate statement of comprehensive income.

f) Inventories

Inventories are valued at lower of cost or net realisable value, after making due allowance for any obsolete or slow moving items. Cost consists of aggregate of purchase price and other related expenses incurred to bring the inventories to their present location and condition and is determined as follows:

- Goods held for resale – weighted average cost basis
- Goods in transit – cost incurred up to the reporting date

Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

g) Investments in subsidiaries

Investments in subsidiaries are carried at cost, less any impairment provisions (see note 3.1).

VEGA INDUSTRIES (MIDDLE EAST) - F.Z.C
AJMAN FREE ZONE, AJMAN
Separate financial statements for the year end 31 March 2023

3. Basis of preparation and significant accounting policies and estimates (Continued)

3.3 Significant accounting policies (Continued)

h) Contract liabilities

The contract liabilities primarily relate to the advance consideration received from customers and prior to meeting the revenue recognition criteria or when the amount of consideration received from customers exceed the amount of revenue recognised. Contract liabilities are recognised as revenue when the Company performs under the contract. Contract liabilities are disclosed as part of accounts and other payables.

i) Employees' terminal benefits

Provision is made for employees' terminal benefits on the basis prescribed under the UAE Labour Law based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment. Accordingly, the Company has no expectation of settling its employees' terminal benefits obligation in the near future.

j) Accounts and other payables

Accounts and other payables are recognised for amounts to be paid in the future for goods or services received whether or not billed to the Company.

k) Foreign currencies

Functional and presentation currency

The separate financial statements are presented in US Dollars (USD), which is the Company's functional and presentation currency.

Transactions and balances

Transactions in currencies other than USD are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Exchange differences arising in these cases are dealt with in the separate statement of comprehensive income.

l) Cash and cash equivalents

Cash and cash equivalents consist of unrestricted bank and cash balances less margin money deposits under lien, which are subject to an insignificant risk of changes in value.

m) Operating leases

At the inception of the contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this maybe specified explicitly or implicitly in the contract and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset, i.e., the Company has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used

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Separate financial statements for the year end 31 March 2023

3. Basis of preparation and significant accounting policies and estimates (Continued)

3.3 Significant accounting policies (Continued)

m) Operating leases (Continued)

As a Lessee

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. A lessee will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of office premises that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

n) Fair value measurements

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, regardless of whether that price is directly observable or estimated using another valuation technique. When measuring fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the separate financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categories at the end of each reporting period.

o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognised but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as provision.

3.4 Significant accounting estimates, judgement and assumptions

The preparation of separate financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

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

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3. Basis of preparation and significant accounting policies and estimates (Continued)

3.4 Significant accounting estimates, judgement and assumptions (Continued)

IFRS 15, 'Revenue from Contracts with Customers'

The application of revenue recognition policy in accordance with IFRS 15 has required management to make the following judgments:

Satisfaction of performance obligation

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 appropriate method of recognising revenue. The Company has assessed that based on the contracts with customers, the Company has only one performance obligation and it is satisfied at a point in time, normally on delivery of goods to the customer.

Determination of transaction prices

The Company is required to determine the transaction prices in respect of each of its contracts with customers. In making such judgment, the Company assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

Impairment of financial assets

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

Trade accounts receivable

The Company applies the simplified approach in measuring expected credit losses to its trade accounts receivable, which uses a provision matrix. The provision rates are based on days past due for groupings of various customer segments that substantially share the same risk characteristics or loss patterns. The provision rates are initially based on the Company's historical observed default rates and adjusted with current conditions and the Company's view of economic conditions over the expected lives of the receivables. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Other financial assets at amortised cost

Expected credit losses for other financial assets at amortised cost are measured equal to 12-month expected credit loss when the credit risk was not increased significantly since initial recognition, or lifetime ECL when the credit risk has increased significantly since initial recognition. In assessing whether the credit risk has increased significantly, the Company takes into account qualitative and quantitative supportable forward-looking information.

Cash and cash equivalents

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. While cash and cash equivalents are also subject to impairment, the identified impairment loss is considered immaterial.

Impairment of inventories

Inventories are held at lower of cost or net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Impairment of furniture and equipment

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

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3. Basis of preparation and significant accounting policies and estimates (Continued)

3.4 Significant accounting estimates, judgement and assumptions (Continued)

Impairment of furniture and equipment (Continued)

Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected

Useful lives of furniture and equipment

The Company's management determines the estimated useful lives of its furniture 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.

Impairment of investments in subsidiaries

Management assesses whether there are any indicators of possible impairment of investments in subsidiaries each reporting date based on events or circumstances that indicate the carrying value of investment may not be recoverable. Such indicators include changes in the Company's business plans, and carrying amount of investment is higher than the carrying amount of the investee's assets, or a dividend exceeds the total comprehensive income of the investee.

Impairment exists when the carrying value of investment exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, there has been no revision in the lease terms.

4. Revenue from contracts with customers

The following sets out the disaggregation of the Company's revenue from contracts with customers:

<i>a) Type of goods</i>	2023	2022
Sale of grinding media	279,105,150	268,873,174
Sale of mining liners	120,352,594	111,067,716
Sale of hardware accessories	8,599,476	5,994,252
Others	111,530	725,448
	408,168,750	386,660,590

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4. Revenue from contracts with customers (Continued)		
<i>b) Customer relationship</i>		
	2023	2022
Third party customers	226,732,677	191,938,411
Related party customers (Note 18)	181,436,073	194,722,179
	408,168,750	386,660,590
5. Cost of sales		
	2023	2022
Cost of goods sold	344,343,604	319,237,348
Other direct expenses	1,657,773	2,516,709
	346,001,377	321,754,057
	Other direct expenses include reversal of provision for obsolete or slow-moving inventories amounting to USD 665,008 (2022: provision of USD 665,008).	
6. Other income		
	2023	2022
Excess provision written back for warranty provision	287,536	166,753
Management fee (Note 18)	235,318	437,506
Interest income from financial assets at fair value through profit or loss (Note 11)	266,966	207,629
Dividend income received from subsidiaries (Note 18)	38,638	55,214
	828,458	867,102
	Management fee represents amount charged to a subsidiary for the services rendered by the Company (Note 18).	
7. General and administration expenses		
	2023	2022
Professional fees	2,860,564	1,946,558
Salaries and employee related costs	2,229,436	1,192,459
Insurance	451,196	500,127
Directors' remuneration (Note 18)	336,828	436,179
Bank charges	334,550	290,152
Unrealised loss on quoted debt investments at fair value through profit or loss (Note 11)	248,187	355,172
Loss on foreign currency exchange	216,679	353,747
Communication	156,751	103,522
Short-term lease and license fees	156,338	50,092
Realised loss on quoted debt investments at fair value through profit or loss (Note 11)	--	5,522
Others	144,514	104,988
	7,135,043	5,338,518
8. Selling and distribution expenses		
	2023	2022
Clearing and forwarding	32,319,528	37,743,176
Commission on sales	4,435,478	4,514,996
Travelling and conveyance	1,507,086	587,775
Warehousing charges	958,382	617,134
Business promotion expenses	95,791	42,635
	39,316,265	43,505,716

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9. Furniture and equipment

2023	Furniture and fixtures	Office equipment	Computers	Motor vehicles	Total
<i>Cost</i>					
At 1 April 2022	50,169	58,437	133,676	90,869	333,151
Additions during the year	--	92,713	23,935	38,122	154,770
At 31 March 2023	50,169	151,150	157,611	128,991	487,921
<i>Accumulated depreciation</i>					
At 1 April 2022	50,169	39,451	107,146	90,869	287,635
Charge for the year	--	20,348	13,925	5,560	39,833
At 31 March 2023	50,169	59,799	121,071	96,429	327,468
<i>Net book value</i>					
At 31 March 2023	--	91,351	36,540	32,562	160,453
2022	Furniture and fixtures	Office equipment	Computers	Motor vehicles	Total
<i>Cost</i>					
At 1 April 2021	50,169	58,437	123,649	90,869	323,124
Additions during the year	--	--	10,027	--	10,027
At 31 March 2022	50,169	58,437	133,676	90,869	333,151
<i>Accumulated depreciation</i>					
At 1 April 2021	50,169	31,947	95,695	90,869	268,680
Charge for the year	--	7,504	11,451	--	18,955
At 31 March 2022	50,169	39,451	107,146	90,869	287,635
<i>Net book value</i>					
At 31 March 2022	--	18,986	26,530	--	45,516

10. Investments in subsidiaries

The following summarises the information of the Company's investments in subsidiaries:

Name of the subsidiary	Place of incorporation	Activity	Proportion of the ownership interest held by the Company	
			2023	2022
Vega Industries Limited	United Kingdom	Importing and distribution of grinding media	100%	100%
Wuxi Weigejia Trade Co. Ltd	People's Republic of China	Wholesale, installation, import and export business on mining, quarrying equipment, cement special equipment and relevant spare parts	100%	100%
Vega Steel Industries (RSA) (Proprietary) Limited	Republic of South Africa	Importing and trading of steel and alloy castings and related components	74.626%	74.626%
PT Vega Industries	Indonesia	Importing and distribution of grinding media	99%	99%
Vega Industries Chile SPA	Republic of Chile	Importing and distribution of grinding media	100%	100%
AIA Ghana Limited	Republic of Ghana	Importing and distribution of grinding media and mil liners and mining support services	100%	100%
Vega Industries Australia, Pty Ltd	Commonwealth of Australia	Importing and trading of steel and alloy casting and related components	100%	100%

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10. Investments in subsidiaries (Continued)

The carrying values of the above investments in subsidiaries are as follows:

Name of the subsidiaries	2023	2022
Vega Industries Limited 10,000 shares of GBP 1 each	334,375	334,375
Wuxi Weigejia Trade Co. Ltd 30 shares of USD 10,000 each	300,000	300,000
Vega Steel Industries (RSA) (Proprietary) Limited 100 shares of ZAR 1 each	14	14
PT Vega Industries 198 shares of IDR 13,116,000 each	198,000	198,000
Vega Industries Chile SPA (100 shares of CLP 670,300 each)	106,000	106,000
AIA Ghana Limited (4,421,700 shares of GHC 1 each)	1,000,000	1,000,000
Vega Industries Australia, Pty Ltd (100 shares of AUD 1 each)	71	71
	1,938,460	1,938,460

The above investments are stated at cost less impairment provisions in these separate financial statements of the Company (Note 3.1).

The Company has operational and financial control over these subsidiaries.

11. Financial assets at fair value through profit or loss

	2023	2022
Quoted debt investments	5,395,363	5,643,550
	5,395,363	5,643,550

Marketable securities are fair valued adopting level 1 of the fair value hierarchy referred to in Note 3.3 n).

During the year, the company has earned an interest income of USD 266,966 (2022: USD 207,629) against these quoted debt investments (Note 6).

The movements on the financial assets at fair value through profit or loss during the year are as follows:

	2023	2022
Balance at the beginning of the year	5,643,550	4,250,988
Additions during the year	--	2,003,256
Disposals during the year	--	(250,000)
Unrealised (loss) on fair valuation (Note 7)	(248,187)	(355,172)
Realised loss on fair valuation (Note 7)	--	(5,522)
Balance at the end of the year	5,395,363	5,643,550

12. Inventories

	2023	2022
Goods held for resale	7,152,471	8,010,348
Goods in transit	3,393,406	5,520,930
	10,545,877	13,531,278
Less: Provision for obsolete or slow-moving inventories	--	(665,008)
	10,545,877	12,866,270

Majority of the goods held for resale are held by the related parties in their warehouses outside UAE.

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12. Inventories (Continued)

The movement on the provision for obsolete or slow-moving inventories is as follows:

	2023	2022
Balance at the beginning of the year	665,008	--
Additional provision for the year	--	665,008
Reversal of provision for obsolete or slow-moving inventories	(665,008)	--
Balance at the end of the year	--	665,008

13. Accounts and other receivables

	2023	2022
Trade accounts receivable		
- third parties	36,492,982	43,283,569
- subsidiaries	70,287,106	71,659,161
- related party	41,985,667	51,728,656
Due from subsidiaries (funding)	392,890	701,194
Advances to suppliers	549,367	222,422
Prepaid expenses	123,986	50,173
Interest receivable from financial assets at FVPL	98,587	67,837
Deposits	42,913	42,913
Other receivables	510,890	95,838
	150,484,388	167,851,763
Less: Allowance for expected credit losses (Note 19.1 b))	(11,900)	(11,900)
	150,472,488	167,839,863

a) The Company's risk exposure and expected credit losses on trade accounts receivable, amounts due from subsidiaries and other receivables are disclosed in Note 19.1 b).

b) Unimpaired receivables and amounts due from subsidiaries are considered collectible based on historic experience. It is not the practice of the Company to obtain collateral over receivables.

14. Bank and cash balances

	2023	2022
Cash on hand	1,183	1,434
Bank current accounts	15,865,500	4,804,078
Margin money deposits under lien	18,819	142,519
Bank and cash balances	15,885,502	4,948,031
Less: Margin money deposits under lien	(18,819)	(142,519)
Cash and cash equivalents in the separate statement of cash flows	15,866,683	4,805,512

Margin money deposits are subject to a lien for guarantees issued by banks on behalf of the Company (Note 20).

15. Share capital

	2023	2022
Authorised capital (50,000 shares of USD 10 each)	500,000	500,000
Issued, subscribed and paid-up capital (32,500 shares of USD 10 each)	325,000	325,000

The shareholding structure is as follows:

	2023	2022
M/s. AIA Engineering Ltd, India (30,875 shares of USD 10 each)	308,750	308,750
Mr. Bhadresh Kantilal Shah (as a nominee of AIA Engineering Ltd.) India) (1,625 shares of USD 10 each)	16,250	16,250
	325,000	325,000

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16. Employees' terminal benefits

The provision for end of service benefits for employees is made in accordance with the requirements of the labor laws of the UAE. This is an unfunded defined benefits retirement plan. Employees are entitled to benefits based on length of service and final remuneration and are payable on termination or completion of term of employment. The cost of providing these benefits is charged as an expense on an annual basis.

The movements on the provision recognised in the separate statement of financial position are as follows:

	2023	2022
Balance at the beginning of the year	222,218	196,808
Provided during the year	33,094	25,410
Balance at the end of the year	255,312	222,218

17. Accounts and other payables

	2023	2022
Due to parent company	138,275,360	153,334,000
Due to subsidiaries	1,876,738	2,538,327
Due to a related party	350,000	--
Accrued expenses	4,468,181	3,945,091
Contract liabilities (refer below)	4,031,152	4,038,255
Provision for warranty	1,018,119	1,305,655
	150,019,550	165,161,328

Contract liabilities represent advance consideration received from customers.

18. Related party transactions

Related parties represent shareholders and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Prices and terms of these transactions were approved by the management. The significant related party transactions during the year are as follows:

Related party transactions	Relationship	2023	2022
Revenue from contracts with customers (Note 4 b))	Subsidiaries	181,436,073	194,722,179
Purchases and other direct expenses (cost of sales)	Parent company	340,716,682	318,570,421
Purchases and other direct expenses (cost of sales)	Subsidiaries	605,475	1,516,562
Supervision charges (under other direct expenses)	Parent company	102,518	--
Management fee (Note 6)	Subsidiaries	235,318	437,506
Dividend income (Note 6)	Subsidiaries	38,638	55,214
Salaries and employee related costs recharged from related party (general and administration expenses)	Subsidiaries	1,006,267	126,726
Salaries and employee related costs recharged by related party (general and administration expenses)	Subsidiary	155,494	171,335
Bank charges (for corporate guarantee provided) (general and administration expenses)	Parent company	43,836	33,219
Insurance (under general and administration expenses)	Parent company	238,999	352,640
Clearing and forwarding (under selling and distribution expenses)	Parent company & subsidiary	31,815,917	36,944,480
Loss on foreign currency exchange (reimbursed to subsidiary)	Subsidiary	--	290,091
Travelling and conveyance (selling and distribution expenses)	Subsidiaries	168,363	70,200
Commissions (under selling and distribution expenses)	Parent company	22,854	80,601
Others (under general and administration expenses)	Subsidiary	406,548	34,979

The amounts due from/to related parties including parent company and subsidiaries do not attract interest and are receivable/payable on demand.

	2023	2022
Key management compensation (including Directors' emoluments)		
Directors' remuneration (Note 7)	336,828	436,179

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19. Financial risk and capital management

19.1 Financial risk factors

The Company's financial instruments consist mainly of financial assets at fair value through profit or loss, accounts and other receivables, bank and cash balances, and accounts and other payables. The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. No changes were made in the risk management objectives and policies during the years ended 31 March 2023 and 31 March 2022. The identified key risks are:

a) Currency risk

The Company manages its currency risk by regularly assessing current and expected foreign currency exchange rate movements and foreign currency exposures and hedges foreign currency exposures.

The table below indicates the Company's foreign currency exposure at 31 March, as a result of its monetary assets and liabilities.

	2023 USD	2022 USD
Euro (EUR)	5,458,448	4,362,060
Australian Dollars (AUD)	1,041,724	116,161
South African Rand (ZAR)	820,069	1,169,822
Canadian Dollar (CAD)	312,664	346,401
British Sterling Pounds (GBP)	30,482	224,424
Ghanaian cedi (GHC)	--	410,932
Russian Rubble (RUB)	--	171

The following tables demonstrate the sensitivity to a reasonably possible change in the following foreign currencies, with all other variables held constant. The impact on the Company's profit is due to changes in the fair value of monetary assets and liabilities.

	2023 Effect on profit (+/-) USD	2022 Effect on profit (+/-) USD
<i>Change in currency rate by 1% (+/-)</i>		
Currency		
EUR	54,584	43,621
AUD	10,417	1,162
ZAR	8,201	11,698
CAD	3,127	3,464
GBP	305	2,244
GHC	--	4,109
RUB	--	2

b) Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances, trade accounts receivable and amounts due from subsidiaries.

Debt instruments and bank balances

Credit risk from banks and financial institutions is managed in accordance with the Company's policy. The Company's bank accounts are placed only with high credit quality financial institutions. Investments to any financial instruments are made only with approved parties/financial institutions and within the limits established by the management. The limits are set to minimise the concentration of risks and mitigate financial loss.

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19. Financial risk and capital management (Continued)

19.1 Financial risk factors (Continued)

b) Credit risk (Continued)

Trade accounts receivable and due from subsidiaries

The credit risk on trade accounts receivable and due from subsidiaries is subjected to credit evaluations. The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits are defined and are set based on internal and external ratings in accordance with the Company's policies. Outstanding customer receivables and amounts due from subsidiaries are regularly monitored and an allowance has been made for expected credit losses. The amounts presented in the separate statement of financial position are net of allowances for expected credit losses.

Certain trade accounts receivable are secured by letters of credit or other forms of credit guarantee or insurance from reputable banks or financial institutions.

The Company is not exposed to any significant concentration of credit risk because its exposure is spread over a large number of customers, except for trade accounts receivable from subsidiaries and related party. At the reporting date, 32% of the trade accounts receivable from third parties are due from 5 customers (2022: 27% from 5 customers), 84% of trade accounts receivable from subsidiaries are from 3 subsidiaries (2022: 83% from 3 subsidiaries) and 100% of trade accounts receivable from related party is from a single party (2022: 100% from a single party).

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Impairment of financial assets

The Company has the following financial assets that are subject to the expected credit loss model:

- a) Trade accounts receivable
- b) Other financial assets at amortised cost
- c) Cash and cash equivalents

While cash and cash equivalents and other financial assets at amortised cost which includes due from subsidiaries (funding), deposits and other receivables are subject to impairment, the identified impairment loss is considered immaterial.

The impairment losses on financial assets recognised in the separate statement of comprehensive income were as follows:

	2023	2022
Recovery of amounts previously written off	55,447	--
Impairment losses on trade accounts receivables	--	30,428
Reversal of prior year's impairment losses	--	(20,135)
<u>(Recovery of)/impairment loss on financial assets</u>	55,447	<u>10,293</u>

Trade accounts receivable

The Company applies the simplified approach in measuring expected credit losses by using a provision matrix for all trade accounts receivable (see Note 3.3 e)).

The gross carrying amounts of trade accounts receivable at the reporting date are as follows:

	2023	2022
Current	49,894,446	72,807,883
0 to 3 months	36,724,789	58,661,315
3 to 6 months	43,550,861	28,172,563
6 to 1 year	11,767,472	5,545,239
Above 1 year	6,828,187	1,484,386
<u></u>	148,765,755	<u>166,671,386</u>

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19. Financial risk and capital management (Continued)

19.1 Financial risk factors (Continued)

b) Credit risk (Continued)

Reconciliation of the closing loss allowances for trade accounts receivable as at 31 March to the opening loss allowances are as follows:

	Trade accounts receivable	
	2023	2022
Balance at the beginning of the year	11,900	99,792
Reversal of prior year's loss allowance	--	(20,135)
Utilised for write-off during the year	--	(67,757)
Balance at the end of the year	11,900	11,900

Trade accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, failure to agree in a repayment plan with the Company and a failure to make contractual payments. Impairment losses on trade accounts receivable are presented as net impairment losses in the separate statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same account.

c) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The Company maintains good working relations with its banks.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 March, based on contractual payment dates:

2023	<i>On demand</i>	<i>0 months to 1 year</i>	<i>Total</i>
Due to parent company	--	138,275,360	138,275,360
Due to subsidiaries	--	1,876,738	1,876,738
Due to a related party	--	350,000	350,000
Accrued expenses	--	4,468,181	4,468,181
Provision for warranty	1,018,119	--	1,018,119
Total	1,018,119	144,970,279	145,988,398

2022	<i>On demand</i>	<i>0 months to 1 year</i>	<i>Total</i>
Due to parent company	--	153,334,000	153,334,000
Due to subsidiaries	--	2,538,327	2,538,327
Accrued expenses	--	3,945,091	3,945,091
Provision for warranty	1,305,655	--	1,305,655
Total	1,305,655	159,817,418	161,123,073

d) Price risk

Although the Company has significant amounts invested in financial assets at fair value through profit or loss, the management has minimised the exposure to investment 'price' risk by ensuring the investment portfolio is varied and without any sector, geographical or other concentrations.

The impact on the Company's profit due to changes in the price of investments would be as follows:

	2023	2022
<i>Change in price in 2% (+/-)</i>	<i>Effect on profit (+/-)</i>	<i>Effect on profit (+/-)</i>
Financial assets at fair value through profit or loss	107,907	112,871

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19. Financial risk and capital management (Continued)

19.2 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders by pricing products commensurately with the level of risk.

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the shareholders' funds and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the shareholders' funds, the Company may adjust the amount of dividends paid to shareholders, return funds to shareholders, issue new shares, or sell assets to reduce its exposure to debt. No changes were made in the objectives, policies or processes during the years ended 31 March 2023 and 31 March 2022. Capital comprises share capital and retained earnings, and is measured at USD 34,123,281 as at 31 March 2023 (2022: USD 27,898,144).

20. Contingent liabilities

	2023	2022
Bank performance bonds and guarantees	181,918	1,424,611
	181,918	1,424,611

The above bank facilities are secured by a lien on margin money deposits held by banks (Note 14) and corporate guarantee of a shareholder.

21. Fair value measurements

This note provides information about how the Company determines the fair value of its financial assets and liabilities.

Financial assets of the Company consist of financial assets at fair value through profit or loss, accounts and other and bank and cash balances. Financial liabilities consist of accounts and other payables. The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

Fair value of Company's financial assets that are measured at fair value on a recurring basis:

The following table gives information about financial assets that are held at fair value at the end of each reporting period including how the fair value has been determined, fair value hierarchy, a description of valuation technique and the inputs used in the fair value measurements.

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs used	unobservable input	Relationship of unobservable inputs to fair value
	2023	2022				
Quoted debt investments - carried at fair value through profit or loss	5,395,363	5,643,550	Level 1	Observable market rates at the end of the reporting period	N/A	N/A

There were no transfers between Level 1 and Level 2 fair value measurements during the year.