12th
ANNUAL
REPORT
FOR
THE
YEAR
2021 - 2022

JOGBANI HIGHWAY PRIVATE LIMITED

JOGBANI HIGHWAY PRIVATE LIMITED

DIRECTORS	:	SRI VAIBHAV TANTIA SRI ARUN KUMAR DOKANIA
AUDITORS	:	S. JAYKISHAN CHARTERED ACCOUNTANTS 12, HO CHI MINH SARANI KOLKATA - 700 071
REGISTERED OFFICE	:	'GPT CENTRE' JC - 25, SECTOR - III, SALT LAKE, KOLKATA - 700 106.

S JAYKISHAN
CHARTERED ACCOUNTANTS

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Independent Auditors' Report

To the Members of **Jogbani Highway Private Limited**

Report on Financial Statements

Opinion

We have audited the financial statements of **Jogbani Highway Private Limited**(hereinafter referred to as the"Company"), which comprise the balance sheet as at 31st March, 2022, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, except non provision of "Gratuity Liability" in terms of Ind AS 19, of the state of affairs of the Company as at 31st March, 2022, its loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion except in respect of Retirement Benefits viz, Gratuity, as per Ind AS 19 issued by the Institute of Chartered Accountants of India, the company is required to make provision on actuarial basis every year towards liability for future payment of gratuity. Such provision for gratuity has not been made by the company. In absence of the details, we are unable to comment of the effect of such provision on the loss for the year, gratuity liability and net worth of the company.

Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Refer Note No 19 to the financial statements in respect of "Termination of Concession Agreement", where in it has been stated that the "Concession Agreement" executed with National Highway Authority of India (NHAI) for a BOT project was terminated by the Company mainly due to required land not being made available by the NHAI in the state of Bihar under NHDP Phase – III and invoked the arbitration clause. The Arbitral Tribunal vide their Order passed on 27th March,

S. JAYKISHAN
Kolkata
Chartered Accountants

2018, awarded Rs. 6,120.32 Lakh in favour of the company. Subsequently NHAI has approached the Company for Conciliation of the above dispute arising out of Arbitration award through a Conciliation Committee of Independent Experts as per Part III of the Arbitration and Conciliation (Amendment) Act, 2015 vide their letter dated 17th March 2021. Though the Company has accepted the said proposal of NHAI and to refer the same to the Conciliation Committee of Independent Experts, but since was not successful the reconciliation process has been closed.

In view of the said award, the accounts of the Company have been prepared on a going concern basis. However, as a matter of prudence, the impact of the said award as well as the claim of the said EPC Contractor Company has not been accounted for pending outcome of challenge made by NHAI against "The Arbitral Tribunal" to Hon'ble Delhi Court, as per the provisions of The Arbitration and Conciliation Act, 1996 and disposal of the Conciliation proceedings.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

S. JAYKISHAN ★ Kolkata ★ Chartered Accountants

management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are not responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

S. JAYKISHAN
Kolkata
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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the '**Annexure A**', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reportingand

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      - The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements as at 31st march, 2022. – Refer Note 19 to the standalone financial statements.
      - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

S. JAYKISHAN
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Chartered Accountants

Other Matter

We have relied on Management Assurance of the authenticity, completeness and accuracy of these records electronically submitted to us and have performed additional audit procedures to satisfy ourselves that these records are appropriate to gain the reasonable assurance that the Statement as a whole are free from material misstatement, whether due to fraud and error, and to issue an Auditor's Report that includes ouropinion.

For S. Jaykishan,
Chartered Accountants
FRN. 309005E

S. JAYKISHAN
Kolkata
Chartered Accountants

CA S. Chatterjee
(Partner)
Membership No : 017361
Date: The 7th day of May, 2022
Place: Kolkata
UDIN: 22017361AIPKGI9761

"Annexure A" to the Independent Auditors' Report

The Annexure referred to in paragraph 1 of our Report on "Other Legal and Regulatory Requirements".

With reference to the "Annexure –A" referred to the Independent Auditors' Report to the members of the company on the standalone financial statements for the year ended 31 st March 2022, we report the following:

(i)

a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, as revealed from examination of the related records made available to us.

(B) The company has no intangible asset.

b) According to the information and explanation given to us, Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.

c) The title deed of immovable property held is in the name of company. The Company has not taken any immovable properties on lease.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued either its property plant and equipment or intangible assets during the year under audit.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 or rules made thereunder.

(ii) (a)The Company does not hold any inventory as on the year end date. Accordingly clause 3(ii) (a) of the Order is not applicable. Hence the said clause is not applicable

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limit Banks or Financial Institution during the year under audit. Accordingly, clause 3(ii) (b) of the Order is not applicable to the Company.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, clause 3(iii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee. Accordingly, clause 3(iii) (b) of the Order is not applicable to the company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans and advances during year under audit. Hence the question of repayment of principal and interest does not applicable. Accordingly, clause 3(iii)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and based on examination of records of the Company, since the Company has not taken any loan, the question of overdue amount more than ninety days in respect of loan or advances in the nature of loan. Hence, clause 3 (iii)(d) of the said order is not applicable to the Company.

S. JAYKISHAN ★ Kolkata ★ Chartered Accountants

(e)According to the information and explanations given to us and based on examination of records of the Company, since the Company has not taken any loan or advances in the nature of loans granted falling due during the year under audit, the question of renew or extended or fresh loan granted to settle the overdue of the existing loans or advances in the nature of loan does not arise. Accordingly, clause 3(iii)(e) of the Order is not applicable to the Company.

(f)According to the information and explanations given to us and based on examination of records of the Company, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Hence, this clause is not applicable to the Company.

(iv) According to the information and explanations given to us and based on examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act 2013 ("the Act") and the Company has not provided any security as specified under section 186 of the Act. In our opinion this clause is not applicable to the Company.

(v) According to the information and explanations given to us and based on examination of records of the Company, the Company has not accepted any deposits or amounts which are deemed to deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us theCentral Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of any of the activities of the company. Accordingly, provisions of clause 3 (vi) of the Order is not applicable to the Company

(vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has no undisputed statutory dues. The company is neither GST registered nor Employees' State Insurance and Provident Fund is applicable to the company.

b) According to the information and explanations given to us, there are no undisputed amounts payable as at 31 March, 2022 for a period of more than six months from the date they became payable. However, According to the information and explanations given to us, the company has filed appeal against the order U/S144/147 dated 23/11/2018 of A.O for assessment year 2011-12, which has been disclosed in Note-12 to the Standalone Financial Statements. Other than the above, there are no disputed Statutory Dues for the year under audit.

(viii)According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act,1961 as income during the year.

(ix) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not defaulted in repayment of loans or borrowings to any financial institution or bank. The company does not have any loans or borrowings from government during the year. Accordingly, the clause (ix) (a) of the Order is not applicable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been declared a wilful defaulter by any bank or financial institution or government or government authorities.

c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, this clause of the Order is not applicable, since the Company has not obtained any loans.

S. JAYKISHAN Kolkata Chartered Accountants

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, since the Company has not raised any funds for short terms basis, this clause of the Order is not applicable.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has not taken any fund from any entity or person on account of or to meet the obligations. Further the Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year under audit.

f) According to the information and explanations given to us and the procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities. Accordingly this clause of the Order is not applicable to the Company.

(x) Since this is a private company, no money can be raised by way of public issue. Accordingly, on the basis of the information provided to us by the Company the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

(xi) a) According to the information and explanations given to us, no fraud by the company or on the company by its officers has been noticed or reported during the course of audit.

b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit & Auditors) Rules, 214 with the Central Government.

c) During the course of audit we have not received any whistle blower complains. Hence, nothing in this regard has been considered during course of our audit procedure.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details of the related transactions have been disclosed in the Standalone Financial Statements as required by the applicable Ind AS.

(xiv) According to the information and explanations given to us, internal audit is not mandatory for the Company as per Rule 13 of the Companies (Accounts) Rules, 2014. Hence, the question of considering the internal audit reports does not arise.

(xv) According to information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) a) & (b) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable on the Company.

c) According to the information and explanations given to us, The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable on the Company.

d) According to the information and explanations given to us, in our opinion, clause 3(xvi)(d) of the Order is not applicable on the Company.

(xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the company has no operation during the

S. JAYKISHAN ★ Kolkata ★ Chartered Accountants

year and also in the preceding financial year. This matter has been mentioned in "Key Audit Matters" in our Independent Auditors' Report of the Company.

(xviii) According to the information and explanations given to us, there has been no resignation of the Statutory Auditor during the year. Accordingly, clause 3(xviii) of the Order is not applicable on the Company.

(xix) As mentioned in Note 19 to the financial statement of the company, "Termination of Concession Agreement", mainly due to required land not being made available by the NHAI in the state of Bihar under NHDP Phase - III and invoked the arbitration clause.The Arbitral Tribunal vide their Order passed on 27th March, 2018, awarded Rs. 6,120.32 Lakh in favour of the Company. Based on the said award, the accounts of the Company have been prepared on a going concern basis. NHAI has challenged the Arbitral Award in Hon'ble Delhi High Court. Hon'ble High Court has directed NHAI to deposit Rs 30.00 Crore as security and gave liberty to the Company to withdraw Rs 30.00 Crore against submission of solvent security. However, the Company has not withdrew the said amount. Hence, pending outcome of decision of Hon'ble Delhi High Court,we are not in position to ascertain material uncertainty at this stage.

(xx) According to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable on the Company.

(xxi) Clause 3(xxi) of the Order is not applicable on the Company.

For S. Jaykishan,
Chartered Accountants
FRN. 309005E

S. JAYKISHAN Kolkata Chartered Accountants

CA S. Chatterjee
(Partner)
Membership No : 017361
Date: The 7th day of May, 2022
Place: Kolkata
UDIN: 22017361AIPKGI9761

"Annexure B" to the Auditor's Report

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Jogbani Highway Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the amounts, the disclosures in the financial statements and adequacy of the internal financial control system over financial reporting and there operating effectiveness. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments we consider internal financial control relevant to the company's preparation of financial statements that give a true and fair view in order to design audit

S. JAYKISHAN
Kolkata
Chartered Accountants

procedure that are appropriate in the circumstances. Our audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's directors, as well as evaluating the overall presentation of the financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For S. Jaykishan,
Chartered Accountants
FRN. 309005E

S. JAYKISHAN ★ Kolkata ★ Chartered Accountants

CA S. Chatterjee
(Partner)
Membership No: 017361
Date: The 7th day of May, 2022
Place: Kolkata
UDIN: 22017361AIPKGI9761

Jogbani Highway Private Limited

Company Identification No - U45400WB2010PTC150039

Balance Sheet as at 31st March 2022

(Amount in Rs.)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
I) ASSETS			
A) NON-CURRENT ASSETS			
a) Property, plant and equipment	2	23,58,795	23,58,795
b) Financial assets			
(i) Trade receivables	3	-	2,74,468
c) Deferred tax assets	4	90,27,632	88,15,990
Total Non-Current Assets (A)		**1,13,86,427**	**1,14,49,253**
B) CURRENT ASSETS			
a) Financial assets			
(i) Cash and cash equivalents	5	3,104	5,551
b) Other current assets	6	3,42,86,987	3,48,06,475
Total Current Assets (B)		**3,42,90,091**	**3,48,12,026**
Total Assets (A+B)		**4,56,76,518**	**4,62,61,279**
II) EQUITY AND LIABILITIES			
C) EQUITY			
a) Equity share capital	7	7,17,00,000	7,17,00,000
b) Other equity	8	(2,60,64,620)	(2,54,62,251)
Total Equity (C)		**4,56,35,380**	**4,62,37,749**
LIABILITIES			
D) CURRENT LIABILITIES			
a) Financial liabilities			
(i) Other financial liabilities	9	41,138	23,530
Total Current Liabilities (D)		**41,138**	**23,530**
Total Liabilities (E = D)		**41,138**	**23,530**
Total Equity and Liabilities (C+E)		**4,56,76,518**	**4,62,61,279**
Summary of significant accounting policies	**1**		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. Jaykishan
Chartered Accountants
Firm registration number: 309005E

C.A. S. Chatterjee
Partner
Membership No.: 017361

S. JAYKISHAN KOLKATA Chartered Accountants

Place: Kolkata
Date: 07/05/2022
UDIN: 22017361AIPKGI9761

For and on behalf of the Board of Directors

Vaibhav Tantia
Director
DIN - 00001345

A.K. Dokania
Director
DIN - 00029002

A. B. Chakrabartty
Company Secretary
M. No. F-7184

Jogbani Highway Private Limited
Company Identification No - U45400WB2010PTC150039
Statement of Profit and Loss for the year ended 31st March 2022

(Amount in Rs.)

Particulars	Note No.	2021 - 22	2020 - 21
INCOME			
Other income		-	-
Total Revenue (I)		-	-
EXPENSES			
Other expenses	10	8,14,011	97,246
Total Expenses (II)		**8,14,011**	**97,246**
Earnings before finance costs, tax expenses, depreciation and amortization expenses (EBITDA) (I) – (II)		**(8,14,011)**	**(97,246)**
Depreciation and amortization expenses		-	-
Finance costs		-	-
Loss before taxes (III)		**(8,14,011)**	**(97,246)**
Tax expenses			
- Current tax		-	-
- Deferred tax expense	4	2,11,642	25,284
Total tax expenses (IV)		**2,11,642**	**25,284**
Loss for the year [(III) – (IV)]		**(6,02,369)**	**(71,962)**
Earnings per equity share (nominal value of share Rs. 10/- each)			
(1) Basic (Rs.)		(0.13)	(0.02)
(2) Diluted (Rs.)		(0.13)	(0.02)
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. Jaykishan
Chartered Accountants
Firm registration number: 309005E

C.A. S. Chatterjee
Partner
Membership No.: 017361

S JAYKISHAN KOLKATA Chartered Accountants

Place: Kolkata
Date: 07/05/2022
UDIN: 22017361AIPKGI9761

For and on behalf of the Board of Directors

Vaibhav Tantia
Director
DIN - 00001345

A.K.Dokania
Director
DIN - 00029002

A. B. Chakrabartty
Company Secretary
M. No. F-7184

Jogbani Highway Private Limited
Company Identification No - U45400WB2010PTC150039
Cash Flow Statement for the year ended 31st March 2022

(Amount in Rs.)

Particulars		2021 - 22		2020 - 21	
A. Cash Flow from Operating Activities					
Net Profit before tax			(8,14,011)		(97,246)
Adjustment for :					
Add: Other expenses			-		-
Operating Profit before working capital charges			(8,14,011)		(97,246)
(Increase) / Decrease in Trade Receivables		2,74,468		-	
(Increase) / Decrease in Other Current Assets		5,19,488		1,25,000	
Increase / (Decrease) in Other Financial Liabilities		17,608	8,11,564	(29,830)	95,170
Cash Generated from operations			**(2,447)**		**(2,076)**
Direct Taxes received / (paid)			-		-
Net Cash from Operating Activities	**(A)**		**(2,447)**		**(2,076)**
B. Cash Flow from Investing Activities					
Purchase of property, plant & equipment & CWIP			-		-
Net Cash used in Investing Activities	**(B)**		-		-
C. Cash Flow from Financing Activities					
Issue of redeemable Preference shares			-		-
Net Cash from Financing Activities	**(C)**		-		-
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)			(2,447)		(2,076)
Cash and Cash Equivalents - Opening Balance			5,551		7,627
Cash and Cash Equivalents - Closing Balance			**3,104**		**5,551**
Notes:					
Cash & Cash Equivalents :					
Cash on hand			1,761		1,761
Balance with Scheduled Banks:					
In Current Account			1,343		3,790
Cash and Cash Equivalents at the end of the year			**3,104**		**5,551**

Note :

i) The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Ind AS - 7 " Statement of Cash Flows" issued by Institute of Chartered Accountants of India.

ii) Figures in brackets denotes cash outflows.

As per our report of even date attached

For S. Jaykishan
Chartered Accountants
Firm registration number: 309005E

C.A. S. Chatterjee
Partner
Membership No.: 017361

S. JAYKISHAN ★ KOLKATA ★ Chartered Accountants

For and on behalf of Board of Directors

Vaibhav Tantia
Director
DIN - 00001345

A.K.Dokania
Director
DIN - 00029002

Sd/- A. B. Chakrabartty

A. B. Chakrabartty
Company Secretary
M. No. F-7184

Place: Kolkata
Date: 07/05/2022
UDIN: 22017361AIPKG19781

Jogbani Highway Private Limited
Company Identification No - U45400WB2010PTC150039
Statement of Changes in Equity for the year ended 31st March 2022

A) Equity Share Capital

Particulars	No. of Shares	Amount(Rs.)
Equity Shares of Rs.10/- each issued, subscribed and fully paid		
At 1st April, 2020	45,00,000	4,50,00,000
At 31st March, 2021	45,00,000	4,50,00,000
At 31st March, 2022	45,00,000	4,50,00,000

B) Preference Share Capital

Particulars	No. of Shares	Amount(Rs.)
12% Non - Cumulative Redeemable Preference Shares of Rs.100/- each		
At 1st April, 2020	2,67,000	2,67,00,000
At 31st March, 2021	2,67,000	2,67,00,000
At 31st March, 2022	2,67,000	2,67,00,000

C) Other Equity

Particulars	Reserves and Surplus	
	Retained Earnings	Total
As at 1st April, 2020	**(2,53,90,289)**	**(2,53,90,289)**
Add:Profit/(Loss) for the year	(71,962)	(71,962)
As at 31st March, 2021	**(2,54,62,251)**	**(2,54,62,251)**
Add:Profit/(Loss) for the year	(6,02,369)	(6,02,369)
As at 31st March, 2022	**(2,60,64,620)**	**(2,60,64,620)**

There has been no movement in equity shares & preference shares during the period.

As per our report of even date

For S. Jaykishan
Chartered Accountants
Firm registration number: 309005E

C.A. S. Chatterjee
Partner
Membership No.: 017361

S JAYKISHAN KOLKATA Chartered Accountants

Place: Kolkata
Date: 07/05/2022
UDIN: 22017361AIPKGZ9761

For and on behalf of the Board of Directors

Vaibhav Tantia
Director
DIN - 00001345

A.K. Dokania
Director
DIN - 00029002

A. B. Chakrabartty
A. B. Chakrabartty
Company Secretary
M. No. F-7184

NOTE-1 SIGNIFICANT ACCOUNTING POLICIES

i. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost basis.

ii. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in 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 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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

iii. Foreign currencies

The Company's standalone financial statements are presented in INR, which is also its functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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iv. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

<u>Revenue from construction activity</u>

Construction revenue and costs are recognised by reference to the stage of completion of the construction activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

i) The amount of revenue can be measured reliably,
ii) It is probable that the economic benefits associated with the contract will flow to the Company,
iii) The stage of completion of the contract at the end of the reporting period can be measured reliably,
iv) The costs incurred or to be incurred in respect of the contract can be measured reliably

Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. For this purpose, total estimated contract costs are ascertained on the basis of actual costs incurred and costs to be incurred for completion of contracts in progress, which is arrived at by the management based on current technical data, forecasts and estimate of expenditure to be incurred in future including contingencies, which being technical matters have been relied upon by the auditors. Overhead expenses representing indirect costs that cannot be directly aligned with the jobs, are distributed over the various contracts on a pro-rata basis. Revisions in projected profit or loss arising from change in estimates are reflected in each accounting period which, however, cannot be disclosed separately in the standalone financial statements as the effect thereof cannot be accurately determined.

Provision is made for all losses incurred to the balance sheet date. Variations in contract work, claims and incentive payments are recognised to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. Amount received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customers are disclosed in the Balance Sheet as trade receivables.

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v. Tax Expenses

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current and Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

vi. Property, plant and equipment

The Company regards the previous GAAP carrying value for all its property, plant and equipment as deemed cost at the transition date, viz., 1 April 2017.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets specified in Schedule II to the Companies Act, 2013.

The Company, based on technical assessment made by technical expert, management estimate and related contracts with the customers, depreciates steel shuttering and certain items of building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

vii. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life (three years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

viii. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

ix. Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note XX). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

x. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials (including those relating to construction activities) and stores & spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on 'weighted average' basis.

Finished goods: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on 'weighted average' basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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xi. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

xii. Provisions

Provisions are 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 resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

xiii. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Other long term employee benefits in the nature of long term paid absences are provided for based on actuarial valuation made at the end of each financial year using the projected unit credit method.

xiv. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

xv. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xvi. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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Subsequent measurement

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The EIR amortization is included in finance income in the profit or loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance onTrade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the group 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 EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

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

xvii. Fair value measurement
The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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KOLKATA
Chartered Accountants

Jogbani Highway Private Limited
Company Identification No - U45400WB2010PTC150039
Notes to Financial Statements as at and for the year ended 31st March 2022

2. Property, plant and equipment

(Amount in Rs.)

Particulars	Land*
Gross Block:	
As at 1st April 2020	23,58,795
Additions	-
Deduction / Disposals	-
As at 31st March 2021	**23,58,795**
Additions	-
Deduction - Written off	-
As at 31st March 2022	**23,58,795**
Depreciation/Amortisation:	
As at 1st April 2020	-
Charge for the year	-
Deduction / Disposals	-
As at 31st March 2021	-
Charge for the year	-
Deduction - Written off	-
As at 31st March 2022	-
Net Block:	
As at 31st March 2021	**23,58,795**
As at 31st March 2022	**23,58,795**

* On Cancellation of loan of Rs. 70.00 Crore sanctioned to the company by State Bank of Infdia, Land which was kept as security with SBI CAP, has been released.

3. Trade receivables

(Amount in Rs.)

Particulars	As at 31st March 2022	As at 31st March 2021
	Non - Current	Non - Current
Undisputed		
Outstanding for a period exceeding three years from the date they became due for payment		
- Considered Good	-	2,74,468
	-	2,74,468
Less: Provision for Doubtful receivables	-	-
	-	**2,74,468**
	-	**2,74,468**

4. Deferred tax assets (net)

(Amount in Rs.)

Particulars	As at 31st March 2022	As at 31st March 2021
	Non - Current	Non - Current
Deferred tax assets		
- Expenses allowable against taxable income in future years	90,27,632	88,15,990
Less.		
Timing difference on depreciable assets	-	-
Net Deferred tax assets (net)	**90,27,632**	**88,15,990**

S JAYKISHAN ★ KOLKATA ★ Chartered Accountants

Jogbani Highway Private Limited
Company Identification No - U45400WB2010PTC150039
Notes to Financial Statements as at and for the year ended 31st March 2022

5. Cash and cash equivalents

(Amount in Rs.)

Particulars	As at 31st March 2022	As at 31st March 2021
	Current	Current
Balances with banks:		
- On current accounts	1,343	3,790
Cash on hand	1,761	1,761
	3,104	5,551

6. Other current assets (unsecured, considered good)

(Amount in Rs.)

Particulars	As at 31st March 2022	As at 31st March 2021
	Current	Current
Advances recoverable in cash or kind	-	132,951
Loans and advances to related parties	34,286,987	34,656,687
Other Loans and advances		
- Balance with government authorities	-	16,837
	34,286,987	34,806,475

7. Equity share capital

(Amount in Rs.)

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Authorized		
5,000,000 (31st March 2021 : 5,000,000) Equity shares of Rs. 10/- each	50,000,000	50,000,000
9,10,000 (31st March 2021 : 9,10,000) 12% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	91,000,000	91,000,000
	141,000,000	141,000,000
(b) Issued, subscribed and paid-up		
4,500,000 (31st March 2021 : 4,500,000) Equity shares of Rs. 10/- each	45,000,000	45,000,000
2,67,000 (31st March 2021 : 2,67,000) 12% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	26,700,000	26,700,000
Total issued, subscribed and fully paid-up share capital	71,700,000	71,700,000

(c) Terms/ rights attached to equity shares

i. Equity Shares

(a) The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company will declare and pay dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(b) The amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil (31st March 2021 : Rs. Nil)

(c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii. 12% Non Cumulative Redeemable Preference Shares

(a) The Redeemable Preference Shares rank in regards to return of capital and dividend in priority to the equity shares.

(b) The Redeemable Preference Shareholders do not have any right to vote at any meeting except in case of reduction of share capital, winding up matters, proposal that affect the right of redeemable preference shareholders, in such cases each preference shareholders shall have one vote for each redeemable preference shares, the holder may demand a poll at the general meeting where such holder is entitled to vote.

(c) The Company can issue subsequent preference shares only after getting permission for not less than three - forth existing shareholders and existing shares shall have priority over subsequent issue of preference shares.

(d) The Redeemable Preference Shares may be redeemed at any time after the expiry of 13 years from the date of issue / allotment or earlier subject to approval / consent of Board, preference shareholders and lenders.

S JAYKISHAN
KOLKATA
Chartered Accountants

(d) Details of Equity Shareholders holding more than 5% in the Company

i. Equity Shares

Name of the shareholder	As at 31st March 2022	As at 31st March 2021
GPT Infraprojects Limited		
i. No of shares held	33,00,000	33,00,000
ii. Percentage of holding	73.33%	73.33%
RDS Projects Limited		
i. No of shares held	12,00,000	12,00,000
ii. Percentage of holding	26.67%	26.67%

ii. 12% Non Cumulative Redeemable Preference Shares

Name of the shareholder	As at 31st March 2022	As at 31st March 2021
GPT Infraprojects Limited		
i. No of shares held	2,67,000	2,67,000
ii. Percentage of holding	100.00%	100.00%

(e) Details of shares hold by the Company's holding Company GPT Infraprojects Limited is

Class of Shares	As at 31st March 2022	As at 31st March 2021
	No. of Shares held	No. of Shares held
Equity Shares	33,00,000	33,00,000
12% Non Cumulative Redeemable Preference Shares	2,67,000	2,67,000

(f) As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

8. Other equity

(Amount in Rs.)

Particulars	As at 31st March 2022	As at 31st March 2021
Surplus in the statement of profit and loss		
Balance as per last financial statements	(2,54,62,251)	(2,53,90,289)
Less: Profit/(Loss) for the year	(6,02,369)	(71,962)
Net surplus in the statement of profit and loss	**(2,60,64,620)**	**(2,54,62,251)**
Total Other Equity	**(2,60,64,620)**	**(2,54,62,251)**

9. Other financial liabilities

(Amount in Rs.)

Particulars	As at 31st March 2022	As at 31st March 2021
	Current	Current
Other Payables		
- Expenses payable (other than trade payable)	41,138	23,530
	41,138	**23,530**

10. Other expenses

(Amount in Rs.)

Particulars	2021 - 22	2020 - 21
Professional and legal fees	3,70,408	77,130
Filing fees	1,900	1,700
Bank charges	2,447	716
Payment to auditor		
- As audit fees	15,000	17,700
Receivables written off	4,24,256	-
	8,14,011	**97,246**

S JAYKISHAN ★ KOLKATA ★ Chartered Accountants

NOTES TO FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED 31st MARCH, 2022

NOTE-11 CORPORATE INFORMATION:

The Company was formed on 31st May 2010 as Special Purpose Vehicle (SPV) having its main object to execute the project for Rehabilitation and Upgrading of existing intermediate lane roads to 2 lane with paved shoulders of Forbesganj – Jogbani (km 0.000 to km 9.258) on NH-57A in the state of Bihar under NHDP Phase – III on DBFOT Annuity basis having a Concession period of 15 years including construction period of 2 years from the appointed date stated in clause 3.1 of Article-3, Part II of the Concession Agreement. At the end of the concession period the entire facility will be transferred to National Highway Authority of India.

NOTE – 12 Contingent Liabilities Not Provided For:

Particulars	F Y 2021 – 22 Rs.	F Y 2020 – 21 Rs.
(a) Bank Guarantee issued by a Banker of holding Company on behalf of the company for performance of the Contract	Nil	36,800,000
(b) Disputed Income Tax Demand for the A.Y 2011-12 Under Appeal	28,540,450	28.540,450
(c) Capital Commitments	Nil	Nil
(d) Other Commitments	Nil	Nil

NOTE – 13 Amount due to Micro, Small and Medium Enterprises:

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. In view of this, the liability of the interest and disclosure are not required to be given in the financial statements.

NOTE – 14 Segment Reporting:

a. Business Segment :

The business segments have been identified on the basis of the Activities undertaken by the company. Accordingly, the Company has identified Civil and core Infrastructure as single business activity. And hence separate information about business segment is not applicable.

b. Geographical segment :

The Company operates in India only and hence separate information about geographical segment is not applicable.

NOTE – 15 RELATED PARTY DISCLOSURES:

In compliance with IND AS – 24, the disclosures regarding related parties are as follows:

a. Name of Related parties:

a)	Key Management Personnel (KMP)	: : :	Mr. Vaibhav Tantia, Director Mr. A. K. Dokania, Director Mr. A. B. Chakrabartty, Company Secretary
b)	Holding Company	:	GPT Infraprojects Limited

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b. Details of transactions and Balances outstanding:

Nature of Transactions	Key Management Personnel (Rs.)	Holding Company (Rs.)	Total (Rs.)
Payment to sub-contractor			
GPT Infraprojects Limited (Adjusted against the mobilization advance)	- (-)	3,69,700 (1,25,000)	3,69,700 (1,25,000)
Balance outstanding as at the year end – Debit			
GPT Infraprojects Limited	- (-)	3,42,86,987 (3,46,56,687)	3,42,86,987 (3,46,56,687)

Figure in Bracket represents Previous Year Figure.

NOTE – 16 EARNING PER SHARES:

The breakup of Earnings per Share (EPS) in terms of IND AS - 33 is as follows:-

Particulars	2021 – 22 (Rs.)	2020 – 21 (Rs.)
Net Profit / (Loss) as per Profit & Loss Statement	(6,02,369)	(71,962)
Weighted average number of equity shares in calculating basic EPS (Nos.)	45,00,000	45,00,000
Weighted average number of equity shares in calculating dilutive EPS (Nos.)	45,00,000	45,00,000
Basic EPS	(0.13)	(0.02)
Diluted EPS	(0.13)	(0.02)

NOTE – 17 EMPLOYEE BENEFITS:

Owing to termination of "Concession Agreement" executed with National Highway Authority of India , the company has no employee during the year and as such, IND AS – 19 : Employee Benefits not applicable to the company.

NOTE – 18 CORPORATE SOCIAL RESPONSIBILITY:

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company, Since the Company has no profit in last three years. Accordingly the Company has not spend any amount towards Corporate Social Responsibility (CSR) activities.

NOTE – 19 TERMINATION OF CONCESSION AGREEMENT:

The "Concession Agreement" executed with National Highway Authority of India (NHAI) for a BOT project was terminated by the Company mainly due to required land not being made available by the NHAI in terms of clause 4.1.2 of the "Concession Agreement" for up gradation of existing intermediate lane roads to 2 lane from Forbesganj – Jogbani on NH-57A in the state of Bihar under NHDP Phase – III and invoked the arbitration clause. Consequently The Company also terminated EPC contract with its Holding Company (EPC Contractor Company) entered for execution of the said contract.

The Arbitral Tribunal vide Award pronounced on 23rd November, 2017 for a sum of Rs. 6,223.66 Lac in favour of the Company which, upon an application made by NHAI under section 33 of The Arbitration

S JAYKISHAN ★ KOLKATA ★ Chartered Accountants

and Conciliation Act, 1996, was reduced to Rs. 6,120.32 Lacs vide their Order passed by the Arbitral Tribunal on 27th March, 2018.

NHAI has challenged the Arbitral Award dated 23rd November 2017 before the Hon'ble High Court of Delhi and the same is pending adjudication before the said court. The Hon'ble Court vide its order dated 08th August 2018 directed to NHAI to deposit Rs 30,00,00,000/- as security against the challenge made to the arbitral award dated 23rd November 2017.

By subsequent order dated 18th March 2019 of the Hon'ble High Court of Delhi, the Company has been granted the liberty to withdraw the said amount of Rs 30,00,00,000/-.against submission of a solvent security. The referred matter was listed for several hearings before Hon'ble High Court of Delhi during the financial year and will list for hearing before Hon'ble High Court of Delhi on 2nd August 2022. The company has neither submitted solvent security nor withdrawn any amount so far against order of aforesaid Hon'ble High Court.

In the meantime, NHAI has approached the Company for Conciliation of the above dispute arising out of Arbitration award through a Conciliation Committee of Independent Experts as per Part III of the Arbitration and Conciliation (Amendment) Act, 2015 vide their letter dated 17th March 2021. As advised, the Board of Directors of the Company has resolved to accept the said proposal of NHAI and to refer the same to the Conciliation Committee of Independent Experts.

NHAI had proposed for resolving the dispute through Conciliation Committee of Independent Experts, to which the management of the company agreed but since the same was not successful, the reconciliation process has been closed. Hence As a matter of prudence, the impact of the said award as well as the claim of the said EPC Contractor Company has not been accounted for pending exhaustion of all applicable legal remedies for the challenge made by NHAI to the arbitral award dated 23rd November 2017 under the provisions of The Arbitration and Conciliation Act, 1996.

In view of the "The Arbitral Tribunal award", the accounts of the Company have been prepared on a going concern basis.

NOTE-20 RATIOS AS PER SCHEDULE III REQUIREMENTS:

- The ratios as per Schedule III requirements are given in the enclosed **Annexure-"A".**

As per our report of even date

For S. JAYKISHAN
CHARTERED ACCOUNTANTS
FRN.309005E

JAYKISHAN ★ KOLKATA ★ Chartered Accountants

(S. Chatterjee)
Partner
Membership No.- 017361

Place : Kolkata
Date : 07/05/2022

For and on behalf of the Board of Directors

Vaibhav Tantia
Director
DIN – 00001345

A. K. Dokania
Director
DIN - 00029002

A.B. Chakrabartty
Company Secretary
M. No. F-7184

Jogbani Highway Private Limited
Company Identification No - U45400WB2010PTC150039
Annexure-"A" to Note No.20 of the financial statements as at and for the year ended 31st March 2022
(All Amounts are in Rs., except share data or otherwise stated)

Annexure - "A" : Ratios as per the Schedule III requirements

Sl No.	Ratio	Formula	Particulars		As at 31st March, 2022		As at 31st March, 2021		Ratio as on	Ratio as on	Variation	Reason
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	31st March 2022	31st March 2021	% Change in previous years	(If variation is more than 25%)
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets=Trade Receivable + Cash & Cash Equivalents + Other Current Assets	Current Liabilities= Other financial liabilities	34,290,091	41,138	34,812,026	23,530	833.54	1,479.47	43.66%	Due to increase of current liability
(b)	Debt-Equity Ratio	Debt / Equity	Debt= Nil	Equity= Equity + Reserve and Surplus	-	45,635,380	-	46,237,749	-	-	-	-
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	Net Operating Income= Net profit after taxes+Depreciation+Interest	Debt Service = Interest & Lease Payments + Principal Repayments	(602,369)	-	(71,962)	-	-	-	-	-
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes – Preference Dividend	Shareholder's Equity	(602,369)	45,635,380	(71,962)	46,237,749	(0.01)	(0.00)	-748.11%	Increase in loss due to sundry receivables written off during the year
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	-	-	-	-	-	-	-	
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	-	137,234	-	274,468	-	-	-	
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	-	-	-	-	-	-	-	
(h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue	Average Working Capital= Average of Current assets – Current liabilities	-	45,635,380	-	46,237,749	-	-	-	
(i)	Net Profit Ratio	Net Profit / Net Sales	Net Profit	Net Sales	(602,369)	-	(71,962)	-	-	-	-	
(j)	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Total Assets - Current Liability	(814,011)	45,635,380	(97,246)	46,237,749	(0.02)	(0.00)	-748.11%	Decrease in EBIT due to sundry balances written off during the year
(k)	Return on Investment	Net Profit / Net Investment	Net Profit	Net Investment= Shareholders Fund	(602,369)	45,635,380	(71,962)	46,237,749	(0.01)	(0.00)	-748.11%	Decrease in return on investment due to sundry balances written off during the year

For S. Jaykishan
Chartered Accountants
Firm registration number: 309005E

C.A. S. Chatterjee
Partner
Membership No.: 017361

S JAYKISHAN ★ KOLKATA ★ Chartered Accountants

Place: Kolkata
Date: 07/05/2022

For and on behalf of the Board of Directors

Vaibhav Tantia
Director
DIN - 00001345

A.K. Dokania
Director
DIN - 00029002

A. B. Chakrabartty
Company Secretary
M. No. F-7184

GPT - Transnamib Concrete Sleepers (Pty) Ltd
(Registration number 2010/0427)
Annual Financial Statements
for the year ended 31 March 2022

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	To manufacture concrete sleepers for use on railway tracks
Directors	Mbingee W Hindjou Johny M Smith Webster Gonzo Atul Tantia Niraj K Sinha Shafa M Kaulinge Erastus N Iileka
Registered office	61 Simeon Shixungileni Street Windhoek Namibia
Business address	Hage Geingob Street Transnamib Good Shed Tsumeb
Postal address	P.O Box 1416 Tsumeb Namibia
Holding company	Transnamib Holdings Limited incorporated in Namibia
Ultimate holding company	Government of the Republic of Namibia
Bankers	First National Bank of Namibia Limited
Auditors	BDO Namibia Registered Accountants and Auditors Chartered Accountants (Namibia)
Secretary	Sage Secretarial Services (Pty) Ltd
Company registration number	2010/0427

Contents

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of Namibia to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company’s cash flow forecast for the year to 31 March 2023 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page s 6 to 8.

The annual financial statements set out on pages 9 to 35, which have been prepared on the going concern basis, were approved by the directors on 5 May 2022 and were signed on their behalf by:

Approval of financial statements

Director | **Director**

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of GPT - Transnamib Concrete Sleepers (Pty) Ltd for the year ended 31 March 2022.

1. Incorporation

The company was incorporated on 5 August 2010 and obtained its certificate to commence business on the same day.

2. Nature of business

GPT - Transnamib Concrete Sleepers (Pty) Ltd was incorporated in Namibia with interests in the Manufacturing industry. The company operates in Namibia.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Share capital

	2022	2021
Authorised	Number of shares	
Ordinary shares	12,500,000	12,500,000

	2022	2021	2022	2021
Issued	N$	N$	Number of shares	
Ordinary shares	12,500,000	12,500,000	12,500,000	12,500,000

There have been no changes to the authorised or issued share capital during the year under review.

5. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the directors may pass on the payment of dividends.

The company paid total ordinary dividends of N$9,500,000 (2021:N$ 6,500,000) to the shareholders during the financial year as reflected in the Statement of Changes in Equity.

6. Directorate

The directors in office at the date of this report are as follows:

Directors	Nationality
Mbingee W Hindjou	Namibian
Johny M Smith	Namibian
Webster Gonzo	Namibian
Atul Tantia	Indian
Niraj K Sinha	Indian
Shafa M Kaulinge	Namibian
Erastus N Iileka	Namibian

There have been no changes to the directorate for the year under review.

Directors' Report

7. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 31 March 2022 the company's investment in property, plant and equipment amounted to N$16,892,107 (2021: N$ 16,783,413), of which N$1,726,180 (2021: N$ 336,139) was added in the current year through additions.

8. Holding company

The company's holding company is Transnamib Holdings Limited which holds 50% (2021: 50%) of the company's equity. Transnamib Holdings Limited is incorporated in Namibia.

9. Ultimate holding company

The company's ultimate holding company is Government of the Republic of Namibia.

10. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

11. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable future requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

12. Secretary

The company secretary is Sage Secretarial Services (Pty) Ltd.

Postal address:	P. O. Box 2184 Windhoek Namibia
Business address:	61 Simeon Shixungileni Windhoek Namibia

13. Terms of appointment of the auditors

BDO Namibia will continue in office in accordance with section 278(2) of the Companies Act of Namibia.

Tel: +264 83 322 4125
Fax: +264 83 322 4126
Email: info@bdo.com.na

61 Simeon Shixungileni Street
P.O. Box 2184
WINDHOEK
Namibia

INDEPENDENT AUDITOR'S REPORT

To the shareholders of GPT Transnamib Concrete Sleepers (Proprietary) Limited

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of GPT Transnamib Concrete Sleepers (Proprietary) Limited set out on pages 9 to 33, which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying annual financial statements present fairly, in all material respects, the financial position of the company as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are *further* described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the directors' report and supplementary information, which we obtained prior to the date of this auditor's report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 annual financial statements or, if such

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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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

BDO Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: JSW de Vos | **12 May 2022**
Partner | **Windhoek**

Statement of Financial Position as at 31 March 2022

Figures in Namibia Dollar	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	3	16,892,107	16,783,413
Current Assets			
Inventories	4	10,240,252	7,855,682
Trade and other receivables	5	23,436,648	7,397,690
Cash and cash equivalents	6	1,911,957	4,784,546
		35,588,857	**20,037,918**
Total Assets		**52,480,964**	**36,821,331**
Equity and Liabilities			
Equity			
Share capital	7	12,500,000	12,500,000
Reserves		3,750,000	3,750,000
Retained income		12,267,164	2,625,779
		28,517,164	**18,875,779**
Liabilities			
Non-Current Liabilities			
Deferred tax	8	4,103,469	2,097,008
Current Liabilities			
Trade and other payables	9	18,438,091	15,265,589
Current tax payable		1,422,240	582,955
		19,860,331	**15,848,544**
Total Liabilities		**23,963,800**	**17,945,552**
Total Equity and Liabilities		**52,480,964**	**36,821,331**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Namibia Dollar	Note(s)	2022	2021
Revenue	11	93,412,233	30,294,302
Cost of sales	12	(52,059,730)	(15,603,495)
Gross profit		**41,352,503**	**14,690,807**
Other operating income	13	1,199,758	209,123
Other operating losses	14	(436,982)	(54,396)
Other operating expenses		(16,995,192)	(10,659,598)
Operating profit (loss)	15	**25,120,087**	**4,185,936**
Finance costs	17	-	(5,300)
Profit (loss) before taxation		**25,120,087**	**4,180,636**
Taxation	18	(5,978,702)	(538,140)
Profit (loss) for the year		**19,141,385**	**3,642,496**
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		**19,141,385**	**3,642,496**

Statement of Changes in Equity

Figures in Namibia Dollar	Share capital	Capital redemption reserve	Retained income	Total equity
Balance at 1 April 2020	**12,500,000**	**3,750,000**	**5,483,283**	**21,733,283**
Profit for the year	-	-	3,642,496	3,642,496
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**3,642,496**	**3,642,496**
Dividends	-	-	(6,500,000)	(6,500,000)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(6,500,000)**	**(6,500,000)**
Balance at 1 April 2021	**12,500,000**	**3,750,000**	**2,625,779**	**18,875,779**
Profit for the year	-	-	19,141,385	19,141,385
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**19,141,385**	**19,141,385**
Dividends	-	-	(9,500,000)	(9,500,000)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(9,500,000)**	**(9,500,000)**
Balance at 31 March 2022	**12,500,000**	**3,750,000**	**12,267,164**	**28,517,164**
Note(s)	7	10		

Statement of Cash Flows

Figures in Namibia Dollar	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from operations	19	11,923,531	7,533,357
Finance costs		-	(5,300)
Tax paid	20	(3,132,955)	-
Foreign exchange loss		(436,985)	(54,699)
Net cash from operating activities		**8,353,591**	**7,473,358**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1,726,180)	(336,139)
Proceeds from sale of property, plant and equipment	3	-	130
Profit on sale of non - current assets		-	304
Net cash from investing activities		**(1,726,180)**	**(335,705)**
Cash flows from financing activities			
Dividends paid	21	(9,500,000)	(6,500,000)
Total cash movement for the year		**(2,872,589)**	**637,653**
Cash at the beginning of the year		4,784,546	4,146,893
Total cash at end of the year	6	**1,911,957**	**4,784,546**

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of Namibia.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions 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. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

Accounting Policies

1.3 Property, plant and equipment (continued)

An item of property, plant and equipment is recognised as an asset 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.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leasehold property	Straight line	10 years
Plant and machinery	Straight line	10 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company ,as applicable, are as follows:

Financial assets which are debt instruments:

Accounting Policies

1.4 Financial instruments (continued)

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

Financial liabilities:

- Amortised cost; or

Note 24 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Loans receivable at amortised cost

Classification

Loans to directors, managers and employees (note), and loans receivable (note) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Accounting Policies

1.4 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 5).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Trade and other payables

Classification

Trade and other payables (note 9), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 17).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 24 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Accounting Policies

1.4 Financial instruments (continued)

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Accounting Policies

1.6 Leases (continued)

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note 15) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the company has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the company is a lessee are presented in note Leases (company as lessee).

1.7 Inventories

Inventories comprise of raw material, diesel, direct consumables and finished sleepers. Inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value on the weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs. These include direct consumables, diesel and raw material.

The cost of finished inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.8 Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Accounting Policies

1.8 Impairment of non-financial assets (continued)

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.11 Provisions and contingencies

Provisions are recognised when:
- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

Accounting Policies

1.11 Provisions and contingencies (continued)

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:
- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note .

1.12 Revenue from contracts with customers

The company recognises revenue from the following major sources:
- Sales of concrete sleepers - wholesale

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

Revenue is recognised at the date the invoice is issued and goods are ready for despatch.

1.13 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.14 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 April 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	1 January 2023	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	1 January 2022	Unlikely there will be a material impact
• Reference to the Conceptual Framework: Amendments to IFRS 3	1 January 2022	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	1 January 2022	Unlikely there will be a material impact
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	1 January 2022	Unlikely there will be a material impact
• Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	1 January 2022	Unlikely there will be a material impact

3. Property, plant and equipment

	2022			2021		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Buildings	7,636,195	(6,843,233)	792,962	7,636,195	(6,740,445)	895,750
Plant and machinery	62,471,072	(47,938,067)	14,533,005	62,287,768	(46,571,976)	15,715,792
Furniture and fixtures	140,682	(133,648)	7,034	140,682	(133,648)	7,034
Motor vehicles	4,664,998	(3,114,623)	1,550,375	3,122,121	(2,966,015)	156,106
Office equipment	54,886	(52,142)	2,744	54,886	(52,142)	2,744
IT equipment	119,730	(113,743)	5,987	119,730	(113,743)	5,987
Total	**75,087,563**	**(58,195,456)**	**16,892,107**	**73,361,382**	**(56,577,969)**	**16,783,413**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Total
Buildings	895,750	-	(102,788)	792,962
Plant and machinery	15,715,792	183,303	(1,366,090)	14,533,005
Furniture and fixtures	7,034	-	-	7,034
Motor vehicles	156,106	1,542,877	(148,608)	1,550,375
Office equipment	2,744	-	-	2,744
IT equipment	5,987	-	-	5,987
	16,783,413	**1,726,180**	**(1,617,486)**	**16,892,107**

Figures in Namibia Dollar	2022	2021

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	1,024,235	-	-	(128,485)	895,750
Plant and machinery	17,025,908	336,139	-	(1,646,255)	15,715,792
Furniture and fixtures	7,164	-	(130)	-	7,034
Motor vehicles	257,637	-	-	(101,531)	156,106
Office equipment	2,744	-	-	-	2,744
IT equipment	5,987	-	-	-	5,987
	18,323,675	**336,139**	**(130)**	**(1,876,271)**	**16,783,413**

4. Inventories

	2022	2021
Raw materials and consumables	3,514,002	2,353,882
Finished concrete sleepers	6,726,250	5,501,800
	10,240,252	**7,855,682**

Finished concrete sleepers include an amount of N$ 6,726,250 (2021: N$ 5,501,800) carried at fair value less costs to sell.

5. Trade and other receivables

	2022	2021
Financial instruments:		
Trade receivables	15,632,295	7,016,564
Staff advances	9,400	500
Other debtors	42,171	33,939
Non-financial instruments:		
Refundable taxes - Receiver of Revenue	346,687	346,687
Prepayments	7,406,095	-
Total trade and other receivables	**23,436,648**	**7,397,690**

Split between non-current and current portions

	2022	2021
Current assets	23,436,648	7,397,690

Financial instrument and non-financial instrument components of trade and other receivables

	2022	2021
At amortised cost	15,683,866	7,051,003
Non-financial instruments	7,752,782	346,687
	23,436,648	**7,397,690**

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

5. Trade and other receivables (continued)

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

Trade and other receivables which are less than 1 month past due are not considered to be impaired. At 31 March 2022, N$ 7,266 (2021: N$ nil) were past due but not impaired.

Trade receivables arise from supply of sleepers sales. The customer base for these comprise of two customers, with a result that there is no specific significant concentration of credit risk from these trade receivables.

The average credit period on trade receivables 30 days (2021: 30 days). No interest is charged on outstanding trade receivables.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2022	2022	2021	2021
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Not past due: 93% (2021: 100%)	14,585,430	-	7,016,564	-
Less than 30 days past due: 7% (2021: 0%)	1,039,670	-	-	-
31 - 60 days past due: 0% (2021: 0%)	7,196	-	-	-
Total	**15,632,296**	**-**	**7,016,564**	**-**

Exposure to currency risk

The company is not exposed to currency risk related to trade receivables because all transactions are denominated in Namibia Dollar.

The net carrying amounts, in Namibia Dollar, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies.

	2022	2021
Namibia Dollar Amount		
Namibia Dollar	15,683,866	7,051,003

6. Cash and cash equivalents

Cash and cash equivalents consist of:

	2022	2021
Cash on hand	997	6,680
Bank balances	1,910,960	4,777,866
	1,911,957	**4,784,546**

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

6. Cash and cash equivalents (continued)

The total amount of commitments is N$ 7,500,000. The beneficiary of the contingent facility is China Gezhouba Investments Group Namibia (Pty) Ltd. The contingent facility will only expire on written request.	7,500,000	7,500,000

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating		
AAA	1,910,960	4,777,866

Exposure to currency risk

The company is not exposed to currency risk as none of the bank accounts are denominated in a foreign currency.

Namibia Dollar amount		
Namibia Dollar	1,911,957	4,784,546

7. Share capital

Authorised		
12,500,000 Ordinary shares of N$ 1.00 each	12,500,000	12,500,000
Reconciliation of number of shares issued:		
Reported as at 1 April 2021	12,500,000	12,500,000
Issued		
12,500,000 Ordinary shares of N$ 1 each	12,500,000	12,500,000

8. Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(4,073,702)	(2,097,008)
Deferred tax asset	(29,767)	-
Total net deferred tax liability	**(4,103,469)**	**(2,097,008)**

Reconciliation of deferred tax asset / (liability)

At beginning of year	(2,097,008)	(2,141,823)
Taxable / (deductable temporary difference on provisions	30,315	19,851
Taxable / (deductible) temporary difference movement on tangible fixed assets	(1,370,000)	219,136
Taxable / (deductible) temporary difference on inventory costs	(502,162)	(190,321)
Taxable / (deductible) temporary difference movement on prepaid expenses	(164,614)	(3,851)
	(4,103,469)	**(2,097,008)**

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

9. Trade and other payables

Financial instruments:		
Trade payables	9,600,069	7,335,628
Other payables	124,062	21,346
Leave and bonus provision	156,766	110,282
Amounts received in advance (conditional)	7,500,000	7,500,000
Other payroll accruals	138,385	71,072
Non-financial instruments:		
VAT	753,809	92,261
Audit fee accrual	165,000	135,000
	18,438,091	**15,265,589**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	17,519,284	15,038,328
Non-financial instruments	918,809	227,261
	18,438,093	**15,265,589**

Exposure to currency risk

The net carrying amounts, in Namibia Dollar, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

Namibia Dollar Amount		
Namibia Dollar	17,519,284	15,038,328

10. Reserves

Capital Redemption Reserve	3,750,000	3,750,000

11. Revenue

Revenue from contracts with customers		
Sale of galvanised and non - galvanised sleepers	93,412,233	30,294,302

Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

Sale of goods		
Sale of galvanised and non - galvanised sleepers	93,412,233	30,294,302

Timing of revenue recognition

At a point in time		
Sale of galvanised and non - galvanised sleepers	93,412,233	30,294,302

12. Cost of sales

Sale of galvanised and non - galvanised sleepers	52,059,730	15,603,495

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

12. Cost of sales (continued)

Sale of goods		
Sale of galvanised and non - galvanised sleepers	52,059,730	15,603,495

13. Other operating income

Scrap sales	422,042	38,623
Discount received	777,716	170,500
	1,199,758	**209,123**

14. Other operating gains (losses)

Gains (losses) on disposals, scrappings and settlements		
Profit on sale of non - current assets	-	304
Total other operating gains (losses)	**(436,982)**	**(54,396)**

15. Operating profit

Operating profit for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external		
Audit fees	196,484	156,315
Remuneration, other than to employees		
Consulting and professional services	108,831	103,193
Secretarial services	16,502	16,604
	125,333	**119,797**
Employee costs		
Salaries, wages, bonuses and other benefits	7,800,918	5,047,927
Leases		
Operating lease charges		
Premises	2,021	-
Equipment	311,748	79,658
	313,769	**79,658**
Depreciation and amortisation		
Depreciation of property, plant and equipment	1,617,486	1,876,271

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

15. Operating profit (continued)

Expenses by nature

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Employee costs	7,800,918	5,047,927
Lease expenses	313,769	79,658
Depreciation, amortisation and impairment	1,617,486	1,876,271
Other expenses	4,983,265	2,633,432
Royalties and license fees	2,279,755	1,022,310
Change in inventories of finished sleepers and work in progress	52,059,730	15,603,495
	69,054,923	**26,263,093**

16. Depreciation, amortisation and impairment losses

Depreciation		
Property, plant and equipment	1,617,486	1,876,271

17. Finance costs

Interest paid	-	5,300

18. Taxation

Major components of the tax expense

Current		
Local income tax - current period	3,972,240	582,955
Deferred		
Deferred tax	2,006,462	(44,815)
	5,978,702	**538,140**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	25,120,087	4,180,636
Tax at the applicable tax rate of 18% (2021: 18%)	4,521,616	752,514
Tax effect of adjustments on taxable income		
Manufacturing allowance	(338,181)	(214,374)
Tax rate change	1,795,268	-
	5,978,703	**538,140**

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

19. Cash generated from operations

Profit before taxation	25,120,087	4,180,636
Adjustments for:		
Depreciation and amortisation	1,617,486	1,876,271
Gains on disposals, scrappings and settlements of assets and liabilities	-	(304)
Losses on foreign exchange	436,982	54,700
Finance costs	-	5,300
Changes in working capital:		
Inventories	(2,384,570)	(7,183,480)
Trade and other receivables	(16,038,958)	(6,831,212)
Prepayments	-	459,369
Trade and other payables	3,172,504	14,972,077
	11,923,531	**7,533,357**

20. Tax paid

Balance at beginning of the year	(582,955)	-
Current tax for the year recognised in profit or loss	(3,972,240)	(582,955)
Balance at end of the year	1,422,240	582,955
	(3,132,955)	**-**

21. Dividends paid

Dividends	(9,500,000)	(6,500,000)

Dividends are from retained profits.

22. Commitments

Authorised capital expenditure

Already contracted and provided for

• Property, plant and equipment	10,250,000	-

This committed expenditure relates to plant and equipment and will be financed by existing cash resources.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

23. Related parties

Relationships

Ultimate holding company	Government of the Republic of Namibia
Holding company	Transnamib Holdings Limited
Shareholder with significant influence	GPT Infraprojects Limited (India) Dorros Investments Number Twenty Two (Pty) Ltd
Other related parties	GPT Casting Limited (India) GPT Concrete Products South Africa (Pty) Ltd
Directors	Refer to the directors' report
Key management	H. V Roongta (COO) DK Jaimani (Factory Manager) K Damaseb (Maintenance Superitendant)

Related party balances

	2022	2021
Amounts included in Trade receivable (Trade Payable) regarding related parties		
GPT Casting Limited	197,801	390,704
GPT Infraprojects Limited	(228,789)	(192,111)

Related party transactions

	2022	2021
Dividends paid to related parties		
Transnamib Holdings Limited	4,750,000	3,250,000
GPT Infraprojects Limited	3,515,000	2,405,000
Dorros Investments Number Twenty Two (Pty) Ltd	1,235,000	845,000
Purchases from (sales to) related parties		
GPT Concrete Products South Africa (Pty) Ltd	125,250	2,701,943
GPT Casting Limited	180,444	-
Royalties paid to related parties		
GPT Infraprojects Limited	2,279,755	1,022,310
Compensation to directors and other key management		
Short-term employee benefits	3,202,470	3,001,165

24. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	5	15,683,866	15,683,866	15,683,866
Cash and cash equivalents	6	1,911,957	1,911,957	1,911,957
		17,595,823	**17,595,823**	**17,595,823**

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

24. Financial instruments and risk management (continued)

2021

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	5	7,051,003	7,051,003	7,051,003
Cash and cash equivalents	6	4,784,546	4,784,546	-
		11,835,549	**11,835,549**	**7,051,003**

Categories of financial liabilities

2022

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	9	17,519,284	165,000	17,684,284	-

2021

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	9	15,038,328	135,000	15,173,328	-

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The company monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

		2022	2021
Trade and other payables	9	18,438,093	15,265,589
Cash and cash equivalents	6	(1,911,957)	(4,784,546)
Net borrowings		**16,526,136**	**10,481,043**
Equity		28,517,164	18,875,781
Gearing ratio		58 %	56 %

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

24. Financial instruments and risk management (continued)

Financial risk management

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans receivable (at amortised cost), trade and other receivables, contract receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

The maximum exposure to credit risk is presented in the table below:

		2022			2021		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Trade and other receivables	5	15,641,695	42,171	15,683,866	7,017,064	33,939	7,051,003
Cash and cash equivalents	6	1,911,957	-	1,911,957	4,784,546	-	4,784,546
		17,553,652	**42,171**	**17,595,823**	**11,801,610**	**33,939**	**11,835,549**

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

24. Financial instruments and risk management (continued)

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are predominantly met through a mixture of cash generated from operations and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at trusted banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2022

		Carrying amount
Current liabilities		
Trade and other payables		17,519,284

2021

		Carrying amount
Current liabilities		
Trade and other payables	9	15,038,328

Foreign currency risk

The company is exposed to foreign currency risk as a result of certain transactions and balances which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising bank's exchange rates.. The foreign currencies in which the company deals primarily are US Dollars.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The company policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Price risk

The company is not exposed to price risk.

25. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

25. Going concern (continued)

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable future requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

26. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Detailed Income Statement

Figures in Namibia Dollar	Note(s)	2022	2021
Revenue			
Sale of sleepers		93,412,233	30,294,302
Cost of sales			
Opening stock		(5,501,800)	-
Purchases		(53,284,180)	(21,105,295)
Closing stock		6,726,250	5,501,800
	12	**(52,059,730)**	**(15,603,495)**
Gross profit		**41,352,503**	**14,690,807**
Other operating income			
Scrap sales		422,042	38,623
Discount received		777,716	170,500
	13	**1,199,758**	**209,123**
Other operating gains (losses)			
Gains on disposal of assets or settlement of liabilities		-	304
Foreign exchange losses		(436,982)	(54,700)
	14	**(436,982)**	**(54,396)**
Expenses (Refer to page 35)		**(16,995,192)**	**(10,659,598)**
Operating profit (loss)	15	**25,120,087**	**4,185,936**
Finance costs	17	-	(5,300)
Profit (loss) before taxation		**25,120,087**	**4,180,636**
Taxation	18	(5,978,702)	(538,140)
Profit (loss) for the year		**19,141,385**	**3,642,496**

Detailed Income Statement

Figures in Namibia Dollar	Note(s)	2022	2021
Other operating expenses			
Advertising		(42,095)	(2,450)
Auditors remuneration - external auditors	15	(196,484)	(156,315)
Bank charges		(205,817)	(42,009)
Cleaning		(95,745)	(34,305)
Computer expenses		(17,621)	(12,696)
Consulting and professional fees - legal fees		(108,831)	(94,693)
Consulting and professional fees on quarterly review and provisional returns		-	(8,500)
Depreciation		(1,617,486)	(1,876,271)
Donations		(3,000)	-
Employee costs		(7,800,918)	(5,047,927)
Entertainment		(16,688)	(2,054)
Fines and penalties		(535)	(14,708)
Freight and clearing charges		(21,193)	(82,249)
Gifts		-	(265)
Insurance		(247,321)	(225,809)
Lease rentals on operating lease		(313,769)	(79,658)
Levies		(37,787)	-
License fees		-	(12,348)
Membership fees - GEAN		(4,707)	(4,136)
Motor vehicle expenses		(748,076)	(364,416)
Office expenses		(16,288)	(19,127)
Postage		(10,079)	(7,650)
Printing and stationery		(30,331)	(22,766)
Protective clothing		(273,426)	(65,951)
Repairs and maintenance		(1,301,777)	(403,684)
Royalties and license fees		(2,279,755)	(1,022,310)
Secretarial fees		(16,502)	(16,604)
Security		(199,710)	(200,811)
Staff welfare		(154,717)	(135,086)
Telephone and fax		(66,370)	(60,306)
Training		(38,354)	(15,882)
Transport and freight		-	(18,900)
Travel - local		(20,411)	(24,619)
Travel - overseas		(174,837)	-
Water & electricity		(934,562)	(585,093)
		(16,995,192)	**(10,659,598)**

GPT CONCRETE PRODUCTS SOUTH AFRICA (PROPRIETARY) LIMITED
Registration number: 2007/031165/07

ANNUAL FINANCIAL STATEMENTS
31 March 2022

CONTENTS

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business	Manufacturing and sales of railway concrete sleepers
Directors	Dwarika Prasad Tantia Atul Tantia Lawrence Thulani Mthethwa Duduzile Cynthia Patience Mazibuko
Registered office	TFR Dranskraal Yard Fairclough Road Kwazulu Natal Ladysmith 3370
Place of business	TFR Dranskraal Yard Fairclough Road Kwazulu Natal Ladysmith 3370
Auditors	Lee Oosthuizen and Smith Inc. Chartered Accountants (S.A.) Registered Auditors
Compilers	Internally compiled by Mr Gopal Sarda Accountant at GPT Infraprojects Limited, Kolkata, India
Secretary	ER Goodman Secretarial Services CC

Lee Oosthuizen
& Smith Inc.

CHARTERED ACCOUNTANTS (SA) AND REGISTERED AUDITORS

Hilton
24 Hilton Avenue,
Hilton 3245
Tel: 033 343 1236
Email: melvin@los.co.za

Newcastle
60 Gemsbok Avenue,
Newcastle 2940
Tel: 034 3154014
Email: tax@los.co.za

Ladysmith
50 Francis Road,
Ladysmith 3370
Tel: 036 6372161
Email: audit@lee-oos.co.za

INDEPENDENT AUDITOR'S REPORT

Report on the financial statements to the shareholders of GPT Concrete Products South Africa (Proprietary) Limited

We have audited the accompanying financial statements of GPT Concrete Products South Africa (Proprietary) Limited set out on pages 7 to 26, which comprise the statement of financial position as at 31 March 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory notes.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of GPT Concrete Products South Africa (Proprietary) Limited as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 28 in the financial statements, which details that a material uncertainty exists related to a going concern. As stated in Note 28 these events or conditions, indicate that a material uncertainty exists that may cast doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa and the supplementary information set out on pages 27 to 29. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that this is the fifth year that we are the auditors of GPT Concrete Products South Africa (Proprietary) Limited.

Lee Oosthuizen + Smith Inc

Lee Oosthuizen and Smith Inc.
Director: D I Lee
Registered Auditor
Ladysmith, KwaZulu-Natal
Date: 13-5-2022

50 Francis Road
Ladysmith
3370

DIRECTORS' RESPONSIBILITY AND APPROVAL

The directors are required by the Companies of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flow for the period then ended, in conformity with the International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clear defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risks across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the systems of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to March 31, 2022 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 3 to 4.

The financial statements set out on pages 6 to 26, which have been prepared on the going concern basis, were approved by the board of directors and were signed on its behalf by:

Dwarika P Tantia

Atul Tantia

Date: May 12, 2022

DIRECTORS' REPORT

1. Review of activities

Main business and operations

The company is engaged in manufacturing and sale of railway concrete sleepers and operates principally in South Africa.

2. Property, plant and equipment

There were no changes in the nature of property, plant and equipment during the year under review.

3. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the year under review.

4. Directors

The directors of the company during the year and at the date of this report are as follows:

Name	Nationality	Change
Dwarika Prasad Tantia	Indian	No Change
Atul Tantia	Indian	No Change
Lawrence Thulani Mthethwa	South African	No Change
Duduzile Cynthia Patience Mazibuko	South African	No Change

5. Secretary

The secretary of the company is ER Goodman Secretarial Services CC of :

Business address	3 River Road Bedfordview 2007

6. Auditors

Lee Oosthuizen and Smith Incorporation will continue in office.

7. Events subsequent to reporting date

The directors are not aware of any matter or circumstances arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the company or the results of its operations.

8. Dividends

No dividends were declared or paid during the year (2021: Rnil).

9. Going concern

The annual financial statements have been prepared on the going concern basis, since the directors, despite the events described in note 28 of the annual financial statements, believe that the company will have adequate resources in place to continue operating the business.

STATEMENT OF FINANCIAL POSITION

	Notes	2022 R	2021 R
ASSETS			
Non-current Assets		45,736,056	57,226,834
Property, plant and equipment	3	45,736,056	57,226,834
Current Assets		58,338,902	62,993,900
Cash and cash equivalents	8	1,259,993	29,046
Inventory	6	55,919,079	54,382,672
Trade and other receivables	7	1,159,830	8,582,182
TOTAL ASSETS		**104,074,958**	**120,220,734**
EQUITY AND LIABILITIES			
Equity		5,713,297	14,522,022
Share capital	9	50,000	50,000
Retained earnings		5,663,297	14,472,022
Non-current Liabilities		52,636,596	47,053,223
Loans from shareholders	4	47,984,499	38,965,141
Deferred tax liability	5	4,652,097	8,088,082
Current Liabilities		45,725,065	58,645,489
Other financial liabilties	10	-	1,656,309
Trade and other payables	13	27,282,183	35,706,117
Provisions	11	-	83,146
Dividend payable		180,000	180,000
Bank overdraft	8	18,262,882	21,019,917
TOTAL EQUITY & LIABILITIES		**104,074,958**	**120,220,734**

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2022 R	2021 R
Revenue	14	**10,950,394**	**79,256,387**
Cost of sales	15	(15,549,431)	(62,058,852)
Gross (loss) / profit		**(4,599,037)**	**17,197,535**
Other income	19	545,945	4,396,774
Administrative and other expenditure (page 28)		(5,068,399)	(15,934,247)
Operating (loss) / profit	16	**(9,121,491)**	**5,660,062**
Interest received	17	-	44,273
Finance costs	18	(3,123,219)	(3,248,061)
(Loss) / profit before taxation		**(12,244,710)**	**2,456,274**
Taxation	20	3,435,985	(574,948)
TOTAL COMPREHENSIVE (LOSS) / PROFIT FOR THE YEAR		**(8,808,725)**	**1,881,326**

STATEMENT OF CHANGES IN EQUITY

	Share capital R	Retained income R	Total equity R
Balance at 31 March 2020	**50,000**	**12,590,696**	**12,640,696**
Total comprehensive income for the year	-	1,881,326	1,881,326
Balance at 31 March 2021	**50,000**	**14,472,022**	**14,522,022**
Total comprehensive loss for the year	-	(8,808,725)	(8,808,725)
Balance at 31 March 2022	**50,000**	**5,663,297**	**5,713,297**

STATEMENT OF CASH FLOW

	Notes	2022 R	2021 R
Cash flows from operating activities			
Cash receipts from customers		18,918,691	71,720,432
Cash paid to suppliers and employees		(19,210,540)	(67,659,709)
Cash (utilised in) /generated from operations	22	(291,849)	4,060,723
Interest received		-	44,273
Finance costs		(3,123,219)	(3,248,061)
Net cash (utilised in) / generated from operating activities		**(3,415,068)**	**856,935**
Cash flows from investing activities			
Proceeds on sale of property, plant and equipment		40,000	-
Purchase of property, plant and equipment	3	-	(62,497)
Net cash generated from / (utilised in) investing activities		**40,000**	**(62,497)**
Cash flows from financing activities			
Repayment of other financial liabilities		(1,656,309)	(3,723,631)
Proceeds from shareholders' loan		9,019,359	1,401,962
Net cash generated from / (utilised in) financing activities		**7,363,050**	**(2,321,669)**
Net movement in cash and cash equivalents		**3,987,982**	**(1,527,231)**
Cash and cash equivalents at beginning of the year		(20,990,871)	(19,463,640)
Cash and cash equivalents at end of the year	8	**(17,002,889)**	**(20,990,871)**

ACCOUNTING POLICIES

1. Basis of presentation and accounting policies

The Annual Financial Statements have been prepared in accordance with the International Financial Reporting Standards, and the Companies Act 71 of 2008.The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous year.

1.1. Significant judgement and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Financial assets measured at cost and amortised cost

The company assesses its financial assets measured at cost and amortised cost for impairment at each reporting period date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the company makes judgements as to whether there are observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment of financial assets measured at cost and amortised cost is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting period that correlate at defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Allowance of slowing moving, damaged and obsolete inventory

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operating profit note.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is only tested for impairment when there is an indicator of impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change overtime. They are significantly affected by a number of factors including production estimates, supply and demand together with economic factors such as exchange rates, inflation, and interest.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact th income tax and deferred tax provisions in the period which such determination is made.

1.2. Property, plant and equipment

Property, plant and equipment are tangible item that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and.
- are expected to be used during more than one period

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Buildings	10 years
Plant and machinery	10 years
Furniture and fittings	8 years
Motor vehicles	5 years
Office equipment	8 years
Laboratory equipment	8 years
Other property, plant and equipment	1 year

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from estimate. Based on the same the depreciation has been calculated.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and has significantly different patterns of consumption of economic benefits is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss in the period.

1.3. Financial instruments

Measurement

Intial recognition and measurement-Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments. The company classifies financial instruments, or there component parts, in initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Subsequent measurement - Financial instrument at fair value through profit or loss are subsequently measured at fair value with gains and losses arising from changes in the fair value being included in profit or loss for the period.

ACCOUNTING POLICIES (continued)

1.3. Financial instruments (continued)

Trade and other payables

Trade and other payables are initially measured at fair value ,and subsequently measured at amortised cost, using the effective interest rate method.

Loans to shareholders

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. A receivable represents the companies right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand that is readily convertiable to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently measured at amortised cost, using the effective interest rate method.

Bank overdraft and borrowings

Bank overdraft and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.4. Taxation

Current tax assets and liabilities

Current tax for current and prior is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities, using the tax rates(and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable tempory differences, except to the extent that the deferred liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither accounting profit nor taxable profit(tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets an liabilties are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

1.5. Leases

At inception of a 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 of time 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 may be specified explicity, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset, if the supplier has a substantive substitution right, then the asset is not identified;

The company has the right to direct the use of the asset. The company has this right when it 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.

As a Lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses. If any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discontinued using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the company's incremental borrowings rate. Generally, the company use its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

Fixed payments, including in-substance fixed payments.

Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date.

Amounts expected to be payable under a residual value guarantee and lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1.6. Inventories

Inventories are measured at the lower of cost and selling price less costs to complete and sell, on the weighted average cost basis. The cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down of loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in the net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.7. Impairment of assets

The company assesses at each reporting period date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8. Government grants

Grants from the government are recognized at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the company has complied with all attached conditions. Grants received where the entity has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with. Government grants received are included in 'other income' in profit or loss.

ACCOUNTING POLICIES (continued)

1.9. Revenue

Revenue from contracts with customers

The company is in the business of providing railway concrete sleepers. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. 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 railway concrete sleepers

Revenue from sale of railway concrete sleepers is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the railway concrete sleepers. The normal credit term is 30 to 60 days upon delivery.

The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of railway concrete sleepers, the company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Significant financing component

The company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

1.10. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- Expenditure for the asset has occurred.
- Borrowing cost has been incurred.
- Activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.11. Translations of foreign currencies

Foreign currency translations

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period:

foreign currency monetary items are translated using the closing rate;
non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

1.12. Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. New and revised standards

There are no new or revised standards that have had an impact on the current year financial statements. The following new and revised standards which may have an impact in the future are:

2.1 Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (Effective annual reporting periods beginning on or after 1 January 2023)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due to be settled within one year) or non-current.

2.2 Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice statement 2) (Effective annual reporting periods beginning on or after 1 January 2023)

The amendments require that an entitiy discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materilaity process' desribed in IFRS Practice Statement 2.

2.3 Definition of Accounting Estimates (Amendments to IAS 8) (Effective annual reporting periods beginning on or after 1 January 2023)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

3. Property, plant and equipment

	2022			2021		
	Cost	Accumulated Depreciation	Carrying value	Cost	Accumulated Depreciation	Carrying value
Building	25,280,500	(20,351,267)	4,929,233	25,280,500	(18,852,328)	6,428,172
Leasehold improvements	13,611,177	(6,805,589)	6,805,588	13,611,177	(5,444,471)	8,166,706
Plant and machinery	130,197,154	(96,509,398)	33,687,756	130,197,154	(88,051,233)	42,145,921
Furniture and fixtures	201,160	(181,599)	19,561	201,160	(177,634)	23,526
Motor vehicles	938,390	(761,676)	176,714	1,003,390	(680,483)	322,907
Office equipment	253,311	(228,950)	24,361	253,311	(225,434)	27,877
IT equipment	101,371	(81,253)	20,118	101,371	(73,048)	28,323
Laboratory equipment	306,869	(281,545)	25,324	306,869	(273,367)	33,502
Other property,plant and equipment	2,461,687	(2,414,286)	47,401	2,461,687	(2,411,787)	49,900
	173,351,619	**(127,615,563)**	**45,736,056**	**173,416,619**	**(116,189,785)**	**57,226,834**

3. Property, plant and equipment(continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Building	6,428,172	-	-	(1,498,939)	4,929,233
Leasehold improvements	8,166,706	-	-	(1,361,118)	6,805,588
Plant and machinery	42,145,921	-	-	(8,458,165)	33,687,756
Furniture and fixtures	23,526	-	-	(3,965)	19,561
Motor vehicles	322,907	-	(30,008)	(116,185)	176,714
Office equipment	27,877	-	-	(3,516)	24,361
IT equipment	28,323	-	-	(8,205)	20,118
Laboratory equipment	33,502	-	-	(8,178)	25,324
Other property,plant and equipment	49,900	-	-	(2,499)	47,401
	57,226,834	**-**	**(30,008)**	**(11,460,770)**	**45,736,056**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Building	7,927,110	-	-	(1,498,938)	6,428,172
Leasehold improvements	9,527,823	-	-	(1,361,117)	8,166,706
Plant and machinery	50,604,085	-	-	(8,458,164)	42,145,921
Furniture and fixtures	27,494	-	-	(3,968)	23,526
Motor vehicles	439,092	-	-	(116,185)	322,907
Office equipment	17,334	15,000	-	(4,457)	27,877
IT equipment	24,658	10,999	-	(7,334)	28,323
Laboratory equipment	42,711	-	-	(9,209)	33,502
Other property,plant and equipment	45,577	36,498	-	(32,175)	49,900
	68,655,884	**62,497**	**-**	**(11,491,547)**	**57,226,834**

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company.

In 2016, the Company expanded its production facility at Ladysmith and has estimated the remaining useful life of the assets at 8 years from April 2015. For each of the next 7 years of useful life of the factory the depreciation expense will be recognized evenly every year.

	2022 R	2021 R
4. Loans from shareholders		
GPT Investments Private Limited	40,367,103	38,965,141
GPT Infraprojects Limited	7,617,396	-
	47,984,499	**38,965,141**

The loan with GPT Investments Private Limited is unsecured and interest bearing. Interest on this loan is charged at 7% (2021: 7%) amounting to R 1 557 735 (2021: R 1 557 735). The loan is repayable once the loan from State Bank of India has been repaid.

The loan with GPT Infraprojects Limited is unsecured and interest bearing. Interest on this loan is charged at prime interest rate which fluctuates during the year.At year end the rate was 7.75%. This loan is repayable on demand.

	2022 R	2021 R
5. Deferred tax liability		
Accelerated capital allowances for tax purposes	(13,299,914)	(12,183,236)
Bonus provision current year	-	23,281
Unrealised foreign exchange differences	53,312	51,048
Tax on assessed loss	8,594,504	4,020,825
	(4,652,097)	**(8,088,082)**
Reconciliation of deferred tax liability		
At beginning of the year	(8,088,082)	(7,513,134)
Originating temporary difference on tangible fixed assets	(1,116,678)	1,845,864
Unrealised foreign exchange differences	2,264	(1,118,840)
Originating temporary difference on bonus provision	(23,281)	3,806
(Unutilisation)/ increase in assessed loss	4,573,679	(1,305,778)
	(4,652,097)	**(8,088,082)**
6. Inventories		
Raw material components	1,660,611	3,157,521
Finished goods	54,154,888	51,036,823
Direct consumables	103,580	188,328
	55,919,079	**54,382,672**
7. Trade and other receivables		
Trade receivables	35,029	7,535,955
Deposits	14,200	32,139
Estate late - R A Mthethwa	900,001	
Staff advances	210,600	944,025
SARS - VAT	-	28,463
Other receivables	-	41,600
	1,159,830	**8,582,182**

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2022 R Nil (2021: R Nil) were past due but not impaired.

The ageing of the trade receivables is as follows:

	2022 R	2021 R
Neither past due nor impaired	35,029	7,535,955
30-60 days but not impaired		-
61-90 days but not impaired	-	-
91-120 days but not impaired	-	-
More than 120 days but not impaired		-

Trade and other receivables impaired:

As of 31 March 2022, no trade and other receivables were impaired and provided for.

	35,029	**7,535,955**

	2022 R	2021 R
8. Cash and cash equivalents	**(17,002,889)**	**(20,990,871)**
Cash on hand	-	302
Bank balance	1,259,993	28,744
Bank overdraft	(18,262,882)	(21,019,917)
Current assets	1,259,993	29,046
Current liabilities	(18,262,882)	(21,019,917)
	(17,002,889)	(20,990,871)

An overdraft facility of R21 million and bank limit guarantee of R2 million is provided by State Bank of India SA and is secured by:

- First charge way of General Notarial Bond over all stocks of the company including goods in transit.
- An unrestricted first cession on all present and future book-debts due to or to become due to the Company in favour of the Bank.
- Corporate guarantee of GPT Infraprojects Limited.
- Personal guarantee of Dwarika Prasad Tantia and Atul Tantia.
- Third Party guarantee of Shree Gopal Tantia and Vaibhav Tantia.
- Cession on Shareholders' Loan of R38.96 Million from GPT Investment Pvt Limited.

	2022 R	2021 R
9. Share capital		
Authorised		
50 000 ordinary shares of R1-00 each	**50,000**	**50,000**
Issued		
50 000 ordinary shares of R1-00 each	**50,000**	**50,000**
10. Other financial liabilities		
At amortised cost		
State Bank of India South Africa	**-**	**1,656,309**
This loan is has been repaid during the year.		
Disclosed in the Statement of Financial Position as:		
Current liabilities	-	1,656,309
	-	**1,656,309**

11. Provisions

Reconciliation of provisions - 2022

	Opening balance	Additions / (reversals)	Unutilised during the year	Total
Bonus provision	83,146	(83,146)	-	-
	83,146	**(83,146)**	**-**	**-**

Reconciliation of provisions - 2021

	Opening balance	Additions / (reversals)	Unutilised during the year	Total
Bonus provision	69,550	13,596	-	83,146
	69,550	**13,596**	**-**	**83,146**

	2022 R	2021 R

12. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

	2022 R	2021 R
Loan from shareholders	40,367,103	38,965,141
Other financial liabilities	-	1,656,309
Trade and other payables	27,282,183	35,706,117
Cash and cash equivalents	18,262,882	21,019,917
Provisions	-	83,146
	85,912,168	**97,430,630**

13. Trade and other payables

	2022 R	2021 R
Trade payables	26,367,756	35,034,423
VAT payables	124,283	-
Accrued expense	1,548	65,290
Other payables	13,374	
Withholding tax	775,222	606,404
	27,282,183	**35,706,117**

14. Revenue

	2022 R	2021 R
From the sale of goods	**10,950,394**	**79,256,387**

15. Cost of sales

	2022 R	2021 R
Cost of goods sold	8,714,904	42,409,245
Write down of inventories to net realisable value	(8,314,455)	(2,126,365)
Employee costs	847,352	4,747,647
Water and electricity	610,679	807,812
Repairs and maintenance	404,150	1,482,668
Consumables and sundries	80,386	888,983
Motor vehicle fuel and oil	123,721	489,602
Depreciation	11,318,222	11,318,219
Insurance	151,807	207,874
Rental equipment	1,612,665	1,833,167
	15,549,431	**62,058,852**

16. Operating (loss) / profit

Operating profit for the year is stated after accounting for the following:

	2022 R	2021 R
Profit on exchange difference	(448,209)	(3,995,856)
Depreciation on property, plant and equipment	11,460,769	11,491,549
Employee cost - administration	1,401,941	4,201,839
Employee cost - cost of sales	847,352	4,747,647
Auditor's remuneration	126,612	171,500

17. Interest received

	2022 R	2021 R
Bank	**-**	**44,273**

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2022 R	2021 R
18. Finance costs		
GPT Investments Private Limited	1,557,735	1,557,735
GPT Infraprojects Limited	130,440	
Trade and other payables	2,769	84,004
State Bank of India	1,432,275	1,606,322
	3,123,219	**3,248,061**
19. Other income		
Discount received	8,913	-
Old mutual claims	57,775	-
Miscellaneous income	13,589	400,918
Profit on asset disposal	9,992	-
Profit on foreign exchange	448,209	3,995,856
SETA grant	7,467	-
	545,945	**4,396,774**
20. Taxation		
Major components of the tax expense		
S A normal tax	**(3,435,985)**	**574,948**
Current tax expense	-	-
Deferred tax (note 6)	(3,435,985)	574,948
Reconciliation between accounting profit and tax expense.		
(Loss) / profit before tax	(12,244,710)	2,456,274
Tax thereon of 28%	(3,428,519)	687,757
Other tax allowances and non-deductible expenses	(7,466)	(112,808)
	(3,435,985)	**574,948**
21. Auditor's remuneration		
Fees	**126,612**	**171,500**
22. Cash (utilised in) / generated from operations		
(Loss) / profit before taxation	(12,244,710)	2,456,274
Adjustments for:		
Depreciation	11,460,770	11,491,547
Interest received	-	(44,273)
Finance Costs	3,123,219	3,248,061
Profit on asset disposal	(9,992)	-
Movements in provisions	(83,146)	13,596
Changes in working capital:		
Movement in inventories	(1,536,407)	(13,628,514)
Movement in trade and other receivables	7,422,351	4,090,463
Movement in trade and other payables	(8,423,934)	(3,566,431)
	(291,849)	**4,060,723**

	2022 R	2021 R
23. Dividends paid		
Dividends payable at beginning of the year	(180,000)	(180,000)
Dividends declared	-	-
Balance at end of the year	180,000	180,000
	-	-

24. Related Parties

Relationships

Shareholders	GPT Infraprojects Limited (India) GPT Investments Private Limited (Mauritius) RA Mthethwa (Estate Late) GPT Umnambithi Community Trust DE Peter A Tantia
Directors	DP Tantia A Tantia LT Mthethwa DCP Mazibuko
Associate companies	GPT TransNamib Concrete (Pty) Limited

Related party balances

	2022 R	2021 R
Loan accounts - Owing (to) related parties		
GPT Investments Private Limited	(40,367,103)	(38,965,141)
GPT Infraprojects Limited	(7,617,396)	
Amounts included in Trade receivables (Trade payable) regarding related parties		
GPT Investments Private Limited	(20,090,834)	(20,045,454)
RA Mthethwa (Estate Late)	900,001	900,001

Related party transactions

	2022 R	2021 R
Interest paid to related parties		
GPT Investments Private Limited	1,557,735	1,557,735
GPT Infraprojects Limited	130,440	-
Consulting fees paid to related parties		
GPT Investments Private Limited	2,562,840	9,506,339
Sales to related parties		
GPT TransNamib Concrete (Pty) Limited	125,250	2,701,943

All the above transactions are at arms length and comparable market rates.

	2022 R	2021 R
Salaries paid to related parties		
LT Mthethwa	51,075	118,627
DCP Mazibuko	51,075	118,627

	2022 R	2021 R
25. Directors' emoluments		
Non-Executive		
2022		
LT Mthethwa	51,075	118,627
DCP Mazibuko	51,075	118,627
	102,150	**237,254**

26. Risk management

The company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Interest rate risk - The company's interest rate risk arises from long term borrowings. Borrowing issued at variable rates expose the company to cash flow interest rate risk. During 2022 and 2021 the company's borrowings at variable rates were denominated in the Rand. The company analyses its interest rate exposure on a dynamic basis.

Credit risk - Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standings and limits exposure to any one counter-party.

Foreign exchange risk - The company does not hedge foreign exchange fluctuations.

Exchange rates used for converting of foreign items were USD 1:R 14.4851 (2021: R14.9370). The source of these rates is the interbank rate of Nedbank Limited.

Foreign currency exposure at the end of the reporting period.

	2022 R	2021 R
Liabilities		
GPT Investments (Pvt) Limited 2022: $ 1 387 000 (2021: $ 1 342 000)	20,090,834	20,045,454
	20,090,834	**20,045,454**

Liquidity risk - The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

At 31 March 2022	**Less than 1 year**	**Between 1 and 5 years**	**Over 5 years**
Borrowings	18,262,882	47,984,499	-
Trade and other payables and provision	27,282,183	-	-
	45,545,065	**47,984,499**	**-**

At 31 March 2021	**Less than 1 year**	**Between 1 and 5 years**	**Over 5 years**
Borrowings	22,676,226	38,965,141	-
Trade and other payables	35,789,263	-	-
	58,465,489	**38,965,141**	**-**

	2022	2021
	R	R

27. Lease renewal

Lease renewal

The company leases its manufacturing premises located in Danskraal, Ladysmith, KZN from Transnet Freight Rail (Transnet SOC Ltd). The lease term ended on 29 February 2020, and is at present continuing on a month to month basis on the terms and conditions of the expired lease. Transnet Freight Rail are presently considering the renewal of the lease. Since the company has invested significantly in manufacturing operations on the leased property, should the lease not be renewed, an impairment of property, plant and equipment would need to be considered.

The Directors, however, have no reason to believe that the lease will not be renewed given that Transnet Freight Rail allows the company to tender for future contracts which the directors are of the opinion will be awarded to the company. The lease has been consistently renewed in the past.

28. Material uncertainty related to going concern

The factory has been shutdown since June 2021. Lockdown and other Covid related restrictions delayed the tendering process at Transnet Freight Rail, the primary customer of the Company. The Company has responded to the RFQ of Transnet in November 2021 for supply of sleepers over a 5 year contract and has been technically qualified for the same and also submitted its financial bid in January 2022. The same is under consideration by Transnet Freight Rail and also an adjudication with the National Treasury for approval. Apart from this the company has also tendered for an emergency requirement of Transnet Freight Rail in the KZN region in April 2022 for a contract valuing approximately R 20 Million and is awaiting a positive outcome of the same, given the locational advantage of the Company's operations. The Company is also in talks with Prasa to meet their requirement of concrete sleepers. Therefore management is confident of starting operations shortly, however this is dependant on them acquiring the above mentioned tenders.

DETAILED INCOME STATEMENT

	2022 R	2021 R
Revenue	**10,950,394**	**79,256,387**
Cost of sales	(15,549,431)	(62,058,852)
Opening stock	(54,382,672)	(40,754,158)
Purchases	(17,085,838)	(75,687,366)
Closing stock	55,919,079	54,382,672
Gross (loss) / profit	**(4,599,037)**	**17,197,535**
Other income	545,945	4,396,774
Operating expenses		
Administrative and other expenditure (page 28)	(5,068,399)	(15,934,247)
Operating (loss) / profit	**(9,121,491)**	**5,660,062**
Interest received	-	44,273
Finance costs	(3,123,219)	(3,248,061)
(Loss) / profit before tax	**(12,244,710)**	**2,456,274**
Taxation	3,435,985	(574,948)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	**(8,808,725)**	**1,881,326**

DETAILED INCOME STATEMENT (continued)

	2022 R	2021 R
Administrative and other expenditure	**5,068,399**	**15,934,247**
Accounting fees	51,185	55,061
Auditor's remuneration	126,612	171,500
Bank charges	65,427	89,039
Cleaning	26,681	120,814
Computer expenses	13,454	20,038
Consulting fees	2,562,840	9,590,338
Depreciation, amortisation and impairments	142,547	173,331
Donations	-	25,288
Directors' fees	102,150	237,254
Employee costs	1,299,791	3,964,585
General expenses	16,035	109,992
Freight and clearing	1,648	11,791
Gifts	-	3,750
Insurance	9,458	11,595
Interest and penalties SARS	-	3,675
Motor vehicle expenses	85,649	102,423
Postage	11,592	17,377
Printing and stationery	8,086	30,466
Repairs and maintenance	16,089	130,392
Secretarial fees	25,916	24,984
Staff welfare	25,010	279,607
Security	374,342	486,246
Subscriptions	795	17,953
Telephone and fax	59,798	74,617
Travelling	1,850	115,012
Transport and freight	41,444	67,119

DETAILED INCOME STATEMENT (continued)

	2022 R	2021 R
Cost of sales	**15,549,430**	**62,058,852**
Cost of goods sold	8,714,904	42,409,245
Write down of inventories to net realisable value	(8,314,455)	(2,126,365)
Direct costs allocated to COS:		
Employee costs	847,352	4,747,647
Water and electricity	610,679	807,812
Repairs and maintenance	404,150	1,482,669
Consumables and sundries	80,385	888,982
Motor vehicle fuel and oil	123,721	489,602
Depreciation	11,318,222	11,318,219
Insurance	151,807	207,874
Rental factory and equipment	1,612,665	1,833,167
Finance costs	**3,123,219**	**3,248,061**
GPT Investments Private Limited	1,557,735	1,557,735
GPT Infraprojects Limited	130,440	
Interest on suppliers	2,769	84,004
State Bank of India	1,432,275	1,606,322
Interest received	**-**	**44,273**
Bank	-	44,273

GPT Investments Private Limited

Financial statements

31 March 2022

GPT Investments Private Limited

Financial statements
for the year ended 31 March 2022

Contents

GPT Investments Private Limited

Corporate data

		Date appointed	Date resigned
Directors:	Atul Tantia	31 March 2008	-
	Shree Gopal Tantia	31March2008	-
	Cathie Marie Anabelle Hannelas	22 March 2018	-
	Sheik Mohamad Ally Shameem Kureemun *(Alternate to Cathie Marie Anabelle Hannelas)*	22 March 2018	-
	Dhanun Ujoodha	27 March 2008	-

Company secretary: Rogers Capital Corporate Services Limited
3rd Floor, Rogers House
No. 5 President John Kennedy Street
Port Louis
Republic of Mauritius

Registered office: C/o Rogers Capital Corporate Services Limited
3rd Floor, Rogers House
No. 5 President John Kennedy Street
Port Louis
Republic of Mauritius

Auditor: Lancasters
Chartered Accountants
14, Lancaster Court
Lavoquer Street
Port Louis
Republic of Mauritius

Banker: SBM Bank (Mauritius) Ltd
Corporate Office
SBM Tower
Queen Elizabeth II
Avenue 1,
Port Louis
Republic of Mauritius

GPT Investments Private Limited

Directors' report

The directors are pleased to present their report together with the audited financial statements of GPT Investments Private Limited (the "Company") for the year ended 31 March 2022.

Principal activity

The principal activity of the company is that of investment holding.

Results and dividend

The results for the year are shown on page 7.

Dividend declared for the year under review is Nil (2021:USD 300,000).

Statement of directors' responsibilities in respect of financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance, and cash flows of the Company.

The directors are responsible for the preparation of financial statements which comply with the Mauritius Companies Act 2001. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Going concern

The directors have made an assessment of the Company and Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the period ahead.

Auditors

The auditors, Lancasters, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Annual Meeting of shareholders.

By order of the Board

Director

Date: 12 May 2022

Secretary's certificate
for the year ended 31 March 2022

Secretary's certificate under Section 166 (d) of the Mauritius Companies Act 2001

In accordance with Section 166 (d) of the Mauritius Companies Act 2001, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies for the year ended 31 March 2022, all such returns as are required of the Company under the Mauritius Companies Act 2001.

For and on behalf of **ROGERS CAPITAL CORPORATE SERVICES LIMITED**
Company Secretary

Date: ...12 May 2022........

Lancasters
Chartered Accountants

Auditors' report to shareholder of GPT Investments Private Limited

Opinion

We have audited the financial statements of GPT Investments Private Limited (the "Company") set out on pages 7 to 38 which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of, the financial position of the Company as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Company Secretary's Certificate as required by the Companies Act 2001, but does not include the financial statements our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

GGi
INDEPENDENT MEMBER

Auditors' report to shareholder of GPT Investments Private Limited (continued)

Responsibilities of the Directors for the Financial Statements (continued)

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Lancasters
Chartered Accountants

Auditors' report to shareholder of GPT Investments Private Limited (continued)

Other matter

This report is made solely for the Company's member, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Lancasters

Lancasters,
Chartered Accountants
14, Lancaster Court
Lavoquer Street
Port Louis
Mauritius

Date: 12.05.2022

Pasram Bissessur FCCA, ACA, MBA (UK)
Licensed by FRC

GGi
INDEPENDENT MEMBER

GPT Investments Private Limited

Statement of profit or loss and other comprehensive income
for the year ended 31 March 2022

	Notes	2022 USD	2021 USD
Revenue	6	**150,000**	310,000
Expenses			
Salaries		**79,750**	114,500
Legal and professional fees		**9,432**	12,355
Audit and accounting fees		**4,750**	4,550
Licence fees		**2,525**	2,100
Sundries		**933**	2,590
Bank charges		**402**	780
		97,792	136,875
Profit from operating activities		**52,208**	173,125
Finance income	7	**107,965**	150,955
Profit before taxation		**160,173**	324,080
Income tax expense	8	**(3,034)**	(25,174)
Profit for the year		**157,139**	298,906
Other comprehensive income		-	-
Items that will not be reclassified to profit or loss			
Equity investments at fair value through other comprehensive income – net change in fair value			
Total comprehensive income for the year		157,139	298,906

The notes on pages 11 to 38 form part of these financial statements

GPT Investments Private Limited

Statement of financial position
at 31 March 2022

	Notes	2022 USD	2021 USD
Assets			
Non-current assets			
Financial assets at fair value through other comprehensive income	9	**1,016,357**	1,016,357
Loan receivable	10	**3,766,238**	3,658,272
Total non-current assets		**4,782,595**	4,674,629
Current assets			
Other receivables	11	**1,983,764**	1,968,764
Tax receivable	8	**923**	-
Cash and cash equivalents		**1,329**	1,797
Total current assets		**1,986,016**	1,970,561
TOTAL ASSETS		**6,768,611**	6,645,190
Equity and Liabilities			
Equity			
Stated capital	12	**2,000,000**	2,000,000
Fair value reserve		**107,123**	107,123
Retained earnings		**4,494,066**	4,336,927
Total equity		**6,601,189**	6,444,050
Liabilities			
Current liabilities			
Other payables	13	**167,422**	191,340
Tax payable	8	-	9,800
Total current liabilities		**167,422**	201,140
TOTAL EQUITY AND LIABILITIES		**6,768,611**	6,645,190

These financial statements have been approved by the Board on ......12...May..2022......... and signed on its behalf by:

.... Director

.... Director

The notes on page 11 to 38 form part of these financial statements

GPT Investments Private Limited

Statement of changes in equity
for the year ended 31 March 2022

	Stated capital USD	Fair value reserve USD	Retained earnings USD	Total equity USD
Balance at 1 April 2020	2,000,000	107,123	4,338,021	6,445,144
Total comprehensive income for the year				
Profit for the year	-	-	298,906	298,906
Other comprehensive income	-	-	-	-
Transaction with owner of the Company				
Dividend	-	-	(300,000)	(300,000)
Balance at 31 March 2021	2,000,000	107,123	4,336,927	6,444,050
Total comprehensive income for the year				
Profit for the year	-	-	157,139	157,139
Other comprehensive income	-	-	-	-
Transaction with owner of the Company				
Dividend	-	-	-	-
Balance at 31 March 2022	2,000,000	107,123	4,494,066	6,601,189

The notes on page 11 to 38 form part of these financial statements

GPT Investments Private Limited

Statement of cash flows
for the year ended 31 March 2022

	2022 USD	2021 USD
Cash flows from operating activities		
Profit before taxation	160,173	324,080
Adjustment for:		
Interest income	(107,965)	(135,580)
Cash from operation before working capital changes	52,208	188,500
Working capital changes:		
Change in other receivables	(15,000)	75,576
Change in other payables	6,855	(155,045)
Cash generated from operations	44,063	109,031
Corporate tax paid	(14,531)	(29,694)
Net cash from operating activities	29,532	79,337
Cash flows from investing activities		
Interest received	-	85,055
Net cash used in investing activities	-	85,055
Cash flows from financing activities		
Dividend paid	(30,000)	(165,000)
Net cash used in financing activities	(30,000)	(165,000)
Net decrease in cash and cash equivalents	(468)	(608)
Cash and cash equivalents at 01 April	1,797	2,405
Cash and cash equivalents at 31 March	1,329	1,797

The notes on page 11 to 38 form part of these financial statements

1. General information

The Company was incorporated as a Private Limited Company on 27 March 2008 and holds a Global Business Licence issued by the Financial Services Commission. The principal activity of the Company is that of investment holding.

The address of the registered office is c/o Rogers Capital CorporateServices Limited, 3rd floor, Rogers House, No. 5 President John Kennedy Street, Port Louis, Republic of Mauritius.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accountancy Standard Board ("IASB") and in compliance with the requirements of the Mauritius Companies Act 2021.

(b) Basis of measurement

The financial statements have been prepared on a historical basis, except for financial assets at fair value through other comprehensive income which are fair valued.

(c) Functional currency and presentation currency

The financial statements are presented in United States Dollar (USD) which is the Company's functional currency and presentation currency.

(d) Use of the estimates and judgement

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 6 – Revenue recognition – Whether management fee is recognized over time or at a point in time

2. **Basis of preparation (continued)**

(d) Use of the estimates and judgement (continued)

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 March 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes: and liabilities

Note 5 - measurement of ECL allowance for receivables.

(i) ***Measurement of fair values***

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(e) Going concern

In light of the COVID-19, management has made an assessment in respect of the entity's going concern and concluded that there is no issue for which the Company will no longer be going concern.

GPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2022

3. Application of new and revised International Financial Reporting Standards (IFRSs)

(a) New and amended standards and interpretations

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued *Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases*. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, alessee may elect not to assess whether a Covid-19 related rent concession from a lessor is Alease modifications. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, the change was not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to30 June 2022 .The amendment applies to annual reporting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

3. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

(b) Adoption of new and revised International Financial Reporting Standards (IFRS)

The Company has not adopted the following standards and interpretations that have been issued but are not yet effective.

Description	Effective for annual periods beginning on or after
Reference to the Conceptual Framework - Amendments to IFRS 3	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract - Amendments to IAS 37	1 January 2022
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	1 January 2022
IFRS 9 Financial instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies – Amendments to IAS and IFRS Practice Statement 2	1 January 2023

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

4. Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements:

(a) Revenue recognition

Dividend income is recognised when the shareholder's right to receive payments is established.

(b) Income tax

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

4. **Significant accounting policies (continued)**

(b) Income tax (continued)

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(c) Foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation is recognised in OCI as available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

(d) Financial instruments

(i) __Recognition and initial measurement__

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

4. **Significant accounting policies (continued)**

(d) Financial instruments (continued)

(i) Recognition and initial measurement (continued)

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

4. **Significant accounting policies (continued)**

(d) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets - Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

4. **Significant accounting policies (continued)**

(d) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest(which may also include reasonable compensation for early termination) is treated consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

4. **Significant accounting policies (continued)**

(d) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
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 profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of other cost of the investment. Other net gains and losses are recognised in OCI and never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

4. Significant accounting policies (continued)

(d) Financial instruments (continued)

(iii) <u>Derecognition</u>

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) <u>Offsetting</u>

Financial assets and financial liabilities are offset and the net amount presented in the 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) Stated capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

4. **Significant accounting policies (continued)**

(f) Impairment

(i) Non-derivative financial assets

Financial instruments and contract assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost.

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

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of a default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for receivables are always measured at an amount equal to lifetime ECLs.

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 supportable 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, that includes 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 debtor 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 90 days past due.

4. **Significant accounting policies (continued)**

(f) Impairment (continued)

(i) Non-derivative financial assets (continued)

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI 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 asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties

4. **Significant accounting policies (continued)**

(f) Impairment (continued)

(i) Non-derivative financial assets (continued)

Presentation of allowance for ECL in the statement of financial position

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

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amounts of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) 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 of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss.

4. **Significant accounting policies (continued)**

(f) Impairment (continued)

(ii) Non-financial assets (continued)

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Expenses

Expenses are recognised in the profit or loss on an accrual basis.

(h) Provisions

A provision is recognised if, as a result of a past event, the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(i) Related parties

Related parties may be individuals or other entities where the individual or other entities has the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in governing the financial and operating policies, or vice versa, or where the Company is subject to common control or common significant influence.

5. Financial instruments – Fair values and risk management

(a) Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair Value			
31 March 2022	Financial assets at amortised cost USD	Financial assets at fair value through other comprehensive income USD	Financial Liabilities at amortised cost USD	Total USD	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets measured at fair value								
Financial assets at fair value through other comprehensive income	-	1,016,357	-	1,016,357	-	-	1,016,357	1,016,357
Financial assets not measured at fair value								
Loan receivable	3,766,238	-	-	3,766,238	-	-	-	-
Other receivables	1,983,764	-	-	1,983,764	-	-	-	-
Cash and cash equivalents	1,329	-	-	1,329	-	-	-	-
	5,751,331	-	-	5,751,331	-	-	-	-
Financial liabilities not measured at fair value								
Other payables	-	-	(167,422)	(167,422)	-	-	-	-

5. Financial instruments – Fair values and risk management (continued)

(a) Accounting classifications and fair values (continued)

31 March 2021	Carrying amount				Fair value			
	Financial asset at amortised cost USD	Financial assets at fair value through other comprehensive income USD	Financial Liabilities at amortised cost USD	Total USD	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets measured at fair value								
Financial assets at fair value through other comprehensive income	-	1,016,357	-	1,016,357	-	-	1,016,357	1,016,357
Financial assets not measured at fair value								
Loan receivable	3,658,272	-	-	3,658,272	-	-	-	-
Other receivables	1,964,136	-	-	1,964,136	-	-	-	-
Cash and cash equivalents	1,797	-	-	1,797	-	-	-	-
	5,624,205	-	-	5,624,205	-	-	-	-
Financial liabilities not measured at fair value								
Other payables	-	-	(191,340)	(191,340)	-	-	-	-

5. **Financial instruments – Fair values and risk management (continued)**

(b) Financial risk management

Financial instruments carried on the statement of financial position include financial assets at fair value through other comprehensive income, loan receivable, other receivables, cash and cash equivalents, and other payables. The recognition method adopted is disclosed in the individual policy statement associated with each item. The most important types of risk are market risk, credit risk, and liquidity risk.

The Company's activities expose them to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Company's aims are therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practices.

Overview

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

- Market risk
- Credit risk
- Liquidity risk

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates, and market volatility. The Company conducts its investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines.

- *Currency risk*

The Company has financial assets denominated in South African Rand (ZAR). Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to ZAR may change in a manner, which has a material effect on the reported values of the Company's financial assets which are denominated in USD.

5. **Financial instruments – Fair values and risk management (continued)**

(b) Financial risk management (continued)

Market risk (continued)

- *Currency risk (continued)*

Currency profile

	Financial assets 2022 USD	**Financial liabilities 2022 USD**	Financial assets 2021 USD	Financial liabilities 2021 USD
USD	**5,745,374**	**167,422**	5,639,633	191,340
ZAR	**1,016,357**	**-**	1,016,357	-
	6,761,731	167,422	6,655,990	191,340

Sensitivity analysis – currency risk

Currency	**2022 USD**	2021 USD
ZAR	**101,636**	101,636

A 10 % strengthening of USD against the ZAR at 31 March 2022 would have increased net profit before tax by USD 101,636 (2021: USD101,636). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis in 2021.

Similarly, a 10 percent weakening of the USD against the ZAR at 31 March 2022 would have had the exact reverse effect.

- *Interest rate risk*

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

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date. A 25-basis point increase or decrease is used when reporting interest rate risk.

If interest rates have been 25 basis points (bps) higher/lower and all other variables held constant, the profit for the year ended 31 March 2022 would decrease by USD 8,575 (2021:USD 13,495) attributable to the Company's exposure to interest rates on a variable rate of interest.

5. **Financial instruments – Fair values and risk management (continued)**

(b) Financial risk management (continued)

- *Interest rate risk (continued)*

Before sensitivity analysis	Basic interest rate		Average principal amount		Interest accrued	
	2022	2021	2022 USD	2021 USD	2022 USD	2021 USD
Loan receivable	5.00%-5.75%	8.75%-7.00%	2,071,818	2,071,818	107,965	150,955

After sensitivity analysis + 25bps	Basic interest rate		Average principal amount		Interest accrued	
	2022	2021	2022 USD	2021 USD	2022 USD	2021 USD
Loan receivable	5.38%-5.63%	7.69%-7.94%	2,071,818	2,071,818	116,540	164,450
(Decrease) / Increase in loan interest receivable					(8,575)	13,495

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet contractual obligations, and arises from the Company's loan receivable, other receivables, and cash and cash equivalents.

The Company also limits its exposure to credit risk by dealing or investing only with counterparties that have a good credit rating and management does not expect counter-parties to fail to meet their obligations.

Exposure to credit risk and Expected Credit Loss assessment:

The Company has assessed the Expected Credit Loss on the following:

- Loan receivable USD 3,766,238
- Other receivables USD 1,979,136
- Cash and cash equivalents USD 1,329

5. **Financial instruments – Fair values and risk management (continued)**

Credit risk (continued)

Exposure to credit risk and Expected Credit Loss assessment (continued):

Loan receivable and other receivables

As the loan receivable and other receivables are from a related party, these have been assessed to be having a low credit risk due to the fact that the Company and the related parties are under common management, Moreover, there has so far been no defaults of repayment. Accordingly, no adjustments have been made in respect to Expected Credit Losses on loans and other receivable from related parties.

Cash and cash equivalents

The bank balance being held with a reputable financial institution, the ECL has been considered as immaterial.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage 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 damages to the Company's reputation.

	Within one year	Within one to five years	Total
31 March 2022	USD	USD	USD
Financial liabilities			
Other payables	167,422	-	167,422
	USD	USD	USD
31 March 2021			
Financial liabilities			
Other payables	191,340	-	191,340

6. Revenue

A. Revenue streams

The Company generates revenue primarily from management service fees.

	2022 USD	2021 USD
Revenue from contract with customers		
Management service fees	**150,000**	310,000
Total revenue	**150,000**	310,000

B. Disaggregation of revenue from contracts

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, product line and timing of revenue recognition.

	2022 USD	2021 USD
Primary geographical market		
South Africa	**150,000**	310,000
Major product line		
Management Services	**150,000**	310,000
Timing of revenue recognition		
Services provision over time	**150,000**	310,000

(a) Performance obligations and revenue recognition policies

Type of product	**Nature and timing of satisfaction of performance obligations, including significant payment terms**	**Revenue recognition policies**
Management fees	Invoices are raised on a monthly basis	Revenue is recognised over time

7. Finance income

	2022	2021
	USD	USD
Interest income on Loan	**107,965**	150,955

8. Taxation

The Company holds a Global Business Licence for the purpose of the Financial Services Act 2007 of Mauritius. The Company is liable to tax at the rate of 15% on all its income. Pursuant to the enactment of the Finance Act 2018, with effect since 01 January 2019, the deemed foreign tax credit has phased out since 01 July 2021. Any income derived prior to 30 June 2021, will still be entitled to a deemed foreign tax credit of 80% or actual foreign tax credit, whichever is the higher. Any income derived after 30 June 2021 will be subject to tax at the rate of 15% and would be entitled to either:

(a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability arising in Mauritius on such income, or

(b) a partial exemption of 80% applicable to specified income, including but not limited to foreign-source dividends or interest income, subject to the Company meeting the necessary substance requirements.

Further, the Company is exempted from income tax in Mauritius on profits or gains arising from the sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to shareholders or in respect of redemptions or exchanges of shares.

A reconciliation of the actual income tax based on accounting profit and the actual income tax expense is as follows:

8. Taxation (continued)

Recognised in statement of profit or loss and other comprehensive income

	2022 USD	2021 USD
Charge for the year	**(3,034)**	(9,800)
Withholding tax	**-**	(15,374)
Income tax expense	**(3,034)**	(25,174)

Reconciliation of effective tax

	2022 USD	2021 USD
Profit before taxation	**160,173**	324,080
Income tax at 15%	**24,026**	48,612
Unauthorised deductions	**704**	389
Exempt income	**(10,333)**	-
Foreign tax credit	**(11,363)**	(39,201)
Withholding tax	**-**	15,374
Tax for the year	**3,034**	25,174

8. Taxation (continued)

Current tax liability/(receivable)

	2022 USD	2021 USD
Balance at 01 April	**9,800**	29,694
Tax charge for the year	**3,034**	9,800
Tax paid during the year	**(13,757)**	(29,694)
Balance at 31 March	**(923)**	9,800

9. Financial assets at fair value through other comprehensive income

	2022 USD	2021 USD
Cost:		
At 01 April	**909,234**	909,234
At 31 March	**909,234**	909,234
Unrealised appreciation		
At 01 April	**107,123**	107,123
Unrealised loss on fair value	**-**	-
At 31 March	**107,123**	107,123
Fair value		
At 31 March	**1,016,357**	1,016,357

Name of company	*Type and number of shares*	*% holding*	*Country of incorporation*
GPT Concrete Products South Africa Proprietary Limited	7,500 equity shares of ZAR 1 each	15	South Africa

10. **Loan receivable**

	2022 USD	2021 USD
Loan advanced to related company:		
At 01 April	**2,071,818**	2,071,818
Movement during the year	**-**	-
At 31 March	**2,071,818**	2,071,818
Interest receivable		
At 01 April	**1,586,454**	1,535,929
Movement during the year	**107,965**	50,525
At 31 March	**1,694,420**	1,586,454
Carrying value:		
At 31 March	**3,766,238**	3,658,272

The above loan bears interest at the rate of Prime Lending Rate as applicable in South Africa. Repayment of the loan is expected after more than 12 months.

11. **Other receivables**

	2022 USD	2021 USD
Management service fees receivable	**1,979,136**	1,964,136
Prepaid expenses	**4,628**	4,628
	1,983,764	1,968,764

GPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2022

12. Stated capital

	2022	2021
	USD	USD
At 31 March	**2,000,000**	2,000,000
Number of ordinary shares of USD 1 each		
At 01 April / 31 March	**2,000,000**	2,000,000
At 31 March	**2,000,000**	2,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13. Other payables

	2022	2021
	USD	USD
Other payables	**50,000**	42,500
Dividend payable	**105,000**	135,000
Accrued expenses	**12,422**	13,840
	167,422	191,340

14. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subject to common control.

During the year under review, the Company entered into the following related party transactions.

		2022 USD	2021 USD
Transaction during the year	*Nature*		
GPT Concrete Products South Africa Pty Ltd	Management fees accrued	**450,000**	585,000
GPT Concrete Products South Africa Pty Ltd	Management fees settled	**(135,000)**	(401,000)
GPT Concrete Products South Africa Pty Ltd	Interest accrued	**107,965**	150,955
GPT Concrete Products South Africa Pty Ltd	Withholding tax	-	(15,374)
GPT Concrete Products South Africa Pty Ltd	Interest received	-	(85,055)
GPT Transnamib Concrete Sleepers Proprietary Limited	Management fees paid	-	(50,000)

Balances outstanding at 31 March:

		2022 USD	2021 USD
GPT Concrete Products South Africa Pty Ltd	Management fees receivable	**1,979,136**	1,664,136
GPT Concrete Products South Africa Pty Ltd	Loan receivable	**2,071,818**	2,071,818
GPT Concrete Products South Africa Pty Ltd	Interest receivable	**1,694,420**	1,586,455
GPT Transnamib Concrete Sleepers Proprietary Limited	Management fees receivable	-	300,000

Compensation to key management personnel

The Company did not pay any compensation to its key management personnel during the year under review (2021: nil).

15. **Capital management**

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern. As the Company is part of a larger group, the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the Company's capital management objectives.

The Company defines "capital" as including all components of equity. Trading balances that arise as a result of trading transactions with other group Companies are not regarded by the Company as capital.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Company to which the Company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company or the Company. The results of the directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

16. **Holding company**

The Company is a wholly-owned subsidiary of GPT Infraprojects Limited, a company incorporated in India and is listed on the Bombay Stock Exchange and the National Stock Exchange of India. Its registered address is JC-25, Sector-III, Salt Lake, Kolkata 700 098, West Bengal, India.

17. **Impact of COVID-19**

It is noted that the COVID-19 crisis did not have a direct impact on the Company. Management performed an analysis of the impact of COVID-19 on the Company. Whilst the time frame and economic impact of COVID-19 is still unknown, the Company has used the information it has available as of the date of this report to assess the likely impact on the underlying operations of the Company.

The operating companies have sufficient cash and access to resources to meet its obligations for the next 12 months from the date of the approval of financial statements. The performance of the Company has also not been significantly impacted by COVID-19.

Hence, it is considered that there is no material adverse impact of COVID-19 on the financial statements.

18. **Events subsequent to reporting date**

There has been no significant event after the reporting date which requires disclosure or amendment to these financial statements.