



**Afcons Gulf International Projects Services FZE**

**Fujairah Free Zone  
Fujairah, UAE**

**Financial Statements  
Year ended 31 March 2025**





## Afcons Gulf International Projects Services FZE

### Financial Statements

Year ended 31 March 2025

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**Manager's Report**  
**Year ended 31 March 2025**

**Welcome address**

I welcome you to this 18th annual general meeting of the Establishment.

I submit my report and the audited financial statements for the year ended 31 March 2025.

**Review of business**

The Establishment's principal activity during the year was erecting infrastructure projects in and outside the UAE.

**Results**

No revenue was earned during the year as the Management concentrated on developing a market for the activities of the Establishment.

The Management is not expecting substantially better results than the last two years in the forthcoming year.

Administrative expenses decreased 13% over the previous period to AED 152,285 for the current year. 67% of the administrative expenses comprised of trade license fees. The Establishment incurred a net loss of AED 152,285 for the current year compared to a net loss of AED 174,348 incurred for the previous period.

**Shareholder and its interest**

As at 31 March 2025 the entire share capital of AED 1,000,000, divided into 1,000 shares of AED 1,000 each, was held by Messrs Afcons Mauritius Infrastructure Limited.

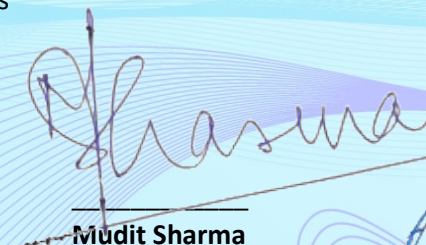
**Management responsibilities**

The Implementing Regulations No 1 of 2004 pursuant to Emiri Decree 6 of 1987 of HH the Ruler of Fujairah of the Fujairah Free Zone Authority (FFZA-IR) read with the UAE Federal Law No 32 of 2021 on Commercial Companies, as amended (CCL), require the Management to prepare the financial statements which give a true and fair view of the state of affairs of the Company and of the performance for each financial year, to get them duly audited, to authorise the same by presenting them to the Shareholder and to issue the same in the annual general meeting.

I confirm that I am responsible for these financial statements, which have been prepared in conformity with the statutory requirements and the International Financial Reporting Standards, including selecting the accounting policies and making the judgments underlying them. I further confirm that I have made available all relevant accounting records and information for compilation of these financial statements and that all transactions have been recorded and are reflected in the financial statements.

**Auditors**

The MoA of the Establishment makes it mandatory for the Authorised Signatory to appoint an auditor for the forthcoming year. A proposal to reappoint Prudential Auditing has been presented to the Board of Directors of the Parent company.



**Mudit Sharma**  
Authorised Signatory  
Thursday, 22 May 2025







**Independent Auditor's Report  
to the Shareholder of Afcons Gulf International Projects Services FZE  
on the financial statements for the year ended 31 March 2025**

**Opinion**

We have audited the accompanying financial statements of Afcons Gulf International Projects Services FZE (the Establishment), Fujairah Free Zone, Fujairah, UAE, which comprises the statement of financial position as at 31 March 2025, and the statements of profit or loss and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information contained in notes set out on pages 5 to 45.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Afcons Gulf International Projects Services FZE for the year ended 31 March 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Basis for opinion**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of these financial statements' section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) and have fulfilled our other ethical responsibilities. We have planned and performed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year.

We have determined that there are no key audit matters to communicate in our report.

**Other matters**

These are matters other than those that are presented or disclosed in the financial statements that, in our judgment, are relevant to users' understanding of our audit, our responsibilities or report and where we considers it necessary to communicate it with the users.

The previous period's financial statements were audited by another independent auditor whose report dated 29 May 2024 gives an unqualified opinion thereon.

**Emphasis of matter**

When we consider it necessary to draw users' attention to a matter presented or disclosed in the financial statements that, in our judgment, is of such importance that it is fundamental to users' understanding of the financial statements, we include this paragraph in our report, with sufficient appropriate audit evidence that the matter is not materially misstated in the financial statements.

We draw attention to Note 3 (d) to the financial statements, which explains the reasons for preparation of these financial statements on a going concern basis.

Our opinion is not modified in respect of this matter.



### **Responsibilities of Management and those charged with governance**

The Establishment's Management is responsible for maintaining books of account as prescribed under the International Accounting Standards (IAS) and for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), applicable provisions of the Memorandum of Association (MoA) of the Establishment and the Implementing Regulations No 1 of 2004 pursuant to Emiri Decree 6 of 1987 of HH the Ruler of Fujairah of Fujairah Free Zone Authority (FFZA-IR) read with the provisions of the UAE Federal Law No 32 of 2021 on Commercial Companies, as amended

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

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

Although these financial statements are prepared by an independent accounts writing firm, the ultimate responsibility towards preparation of these financial statements remains with the Management of the Establishment.

Management and those charged with governance are responsible for overseeing the MoA's financial reporting process.

### **Auditor's responsibilities for the audit of these financial statements**

The objectives of our audit 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 judgment and maintain professional skepticism throughout the audit.

We also:

- a) 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.
- b) 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 our opinion on whether the Establishment has adequate internal financial controls with reference to these financial statements in place and the operating effectiveness of such internal controls.



### **Auditor's responsibilities for the audit of these financial statements (Continued)**

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- d) 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 Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Establishment to cease to continue as a going concern.
- e) 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.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Establishment to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

### **Report on other legal and regulatory requirements**

Various laws require us to report on the acts and omissions of the Management.

A statutory audit is not designed to identify, specifically, adherence to other local laws. The exercise is merely complementary to the exercise. As a result, it is understood by the reader that contraventions that are not material are not identified by us.

Accordingly, we further report that:

- a) We have obtained all information and explanations that we considered necessary for the purpose of our audit.
- b) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the FFZA-IR read with the CCL and the MoA of the Establishment.
- c) Reasonably proper books of account commensurate to the nature of its business and scale of its operations have been maintained by the Establishment.
- d) The financial information contained in the Manager's Report, in so far as it relates to these financial statements, is consistent with the books of account of the Establishment.
- e) Note 19 to the financial statements discloses material related party transactions to the extent informed to us.
- f) We did not come across any transactions or information that indicate that the affirmations by the Management at the 'Statement of compliance' paragraph at Note 2 to the financial statements are contravened.

**Dhawal G Nandedkar**

holding Ministry of Economy's License No 731

Signed at Fujairah, United Arab Emirates

on this Thursday, 22 May 2025

for Pages 2 to 4 of these financial statements.





**Statement of Profit or Loss and Other Comprehensive Income**  
**Year ended 31 March 2025**

Particulars	2025	2024	Note	Page	2025	2024
		(15 months)				
		(Note 22)				
<b>Performance (by function)</b>	<b>AED</b>	<b>AED</b>	<b>Nos</b>	<b>Nos</b>	<b>Ratio</b>	<b>Ratio</b>
Administrative expenses	(152,285)	(174,348)	11	41	100%	100%
<b>Loss for the year/period</b>	<b>(152,285)</b>	<b>(174,348)</b>			<b>100%</b>	<b>100%</b>
Corporate tax	-	-	18	43	-	-
<b>Loss after tax</b>	<b>(152,285)</b>	<b>(174,348)</b>			<b>100%</b>	<b>100%</b>

The accompanying notes on pages 9 to 44 form an integral part of these financial statements.  
The Independent Auditor's Report is set forth on pages 2 to 4.

Approved by the Authorised Signatory on behalf of the Shareholder & authorised for issue on 22 May 2025.

**For Afcons Gulf International Projects Services FZE**

*Mudit Sharma*

**Mudit Sharma**  
Authorised Signatory  
Thursday, 22 May 2025





**Statement of Financial Position  
As at 31 March 2025**

Particulars	2025	2024	Note	Page	2025	2024
		(15 months)				
Assets and liabilities	AED	AED	Nos	Nos	Ratio	Ratio
<b>Current assets</b>						
Other receivables	1,797,258	1,966,198	14	41	98%	99%
Cash equivalent	38,659	22,004	15	42	2%	1%
<b>Total assets</b>	<b>1,835,917</b>	<b>1,988,202</b>			<b>100%</b>	<b>100%</b>
<b>Shareholder's funds</b>						
Share capital	1,000,000	1,000,000	16	43	54%	50%
Retained earnings	827,517	979,802	—	7	45%	49%
Equity funds	1,827,517	1,979,802			100%	100%
<b>Current liability</b>						
Other payable	8,400	8,400	17	43	0%	0%
<b>Total Shareholder's funds &amp; liability</b>	<b>1,835,917</b>	<b>1,988,202</b>			<b>100%</b>	<b>100%</b>

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Approved by the Authorised Signatory on behalf of the Shareholder & authorised for issue on 22 May 2025.

**For Afcons Gulf International Projects Services FZE**

*Mudit Sharma*

**Mudit Sharma**

Authorised Signatory  
Thursday, 22 May 2025





**Statement of Changes in Equity**  
**Year ended 31 March 2025**

	Share capital AED	Retained earnings AED	Total  AED
As at 01 January 2023	1,000,000	1,154,150	2,154,150
Loss for the period (Note 22)	<u>-</u>	<u>(174,348)</u>	<u>(174,348)</u>
As at 31 March 2024	1,000,000	979,802	1,979,802
Loss for the year	<u>-</u>	<u>(152,285)</u>	<u>(152,285)</u>
<b>As at 31 March 2025</b>	<b><u>1,000,000</u></b>	<b><u>827,517</u></b>	<b><u>1,827,517</u></b>

The accompanying notes on pages 9 to 44 form an integral part of these financial statements.  
The Independent Auditor's Report is set forth on pages 2 to 4.



**Statement of Cash Flows**  
**Year ended 31 March 2025**

Particulars		2025	2024
			(15 months)
			(Note 22)
	Nos	AED	AED
<b>Cash flows from operating activities</b>			
Loss for the year/period	Pg 5	<b>(152,285)</b>	(174,348)
<b>Operating loss before changes in operating assets and liability</b>		<b>(152,285)</b>	(174,348)
Decrease/(increase) in prepaid expenses	14	<b>5,625</b>	(99,414)
Decrease in due from related parties	14	<b>163,315</b>	135,000
Increase in other payable	17	-	2,100
<b>Net cash generated from/(used in) operating activities</b>		<b>16,655</b>	(136,662)
<b>Net decrease in cash equivalent</b>		<b>(16,655)</b>	(136,662)
Cash equivalent at beginning of the year		<b>22,004</b>	158,666
<b>Cash equivalent at end of the year</b>	15	<b>38,659</b>	22,004

The accompanying notes on pages 9 to 44 form an integral part of these financial statements.  
The Independent Auditor's Report is set forth on pages 2 to 4.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**1 Legal status and business activities**

**a) Constitution**

**i) Name**

Afcons Gulf International Projects Services FZE  
(the Establishment)

**ii) Constitution**

Free Zone Establishment (FZE)

**FZE**

constitution

**FFZA**

license

**iii) Registration**

Trade license No 2430 with  
Registration 08-FZE-949 of 23 September 2008

**iv) Registered under**

Implementing Regulations No 1 of 2004  
pursuant to Emiri Decree 6 of 1987 of HH the  
Ruler of Fujairah of the Fujairah Free Zone  
Authority (FFZA-IR).

**v) Registration authority**

Fujairah Free Zone (FFZA)  
Fujairah, UAE

**b) Business activities**

**i) Registered address**

PO Box 50710, Fujairah, United Arab Emirates

**ii) Physical address**

Office No 6, A, Fujairah Free Zone, Phase II,  
Fujairah, UAE

**iii) Licensed activity**

Erecting infrastructure projects in and outside  
the UAE.

**iv) Management**

The Establishment is managed by the Manager,  
Mr Mudit Sharma.

**v) Regulations applicable**

The rules and regulations of the Fujairah Free  
Zone (FFZA-IR).

**c) Parent company**

**i) Name**

Messrs Afcons Mauritius Infrastructure Limited,  
Mauritius (the Parent company)

**ii) Constitution**

Private Limited Company

**iii) Address**

3rd Floor, Ebene Esplanade, 24 Cybercity  
Ebene, Mauritius

**Contracting**

activity

**Construction**

sector

**d) Ultimate Holding Company**

**i) Name**

Afcons Infrastructure Limited, India

**ii) Constitution**

Public listed company (Limited Company)

**iii) Address**

AFCONS House, 16, Shah Industrial Estate,  
Veera Desai Road, Azadnagar, Andheri West,  
Mumbai, India - 400 053

**e) Business model**

The Establishment has been established to  
carry out projects in the UAE and the Middle  
East. They tender large infrastructure projects,  
so it is common to have low activity during a  
few years followed by a surge in activity.

So, it operates in the B2B segment where core  
services are rendered to first line  
manufacturers and large scale industries.

The location of providing these men and  
materials differs with the requirements of the  
customer of the Establishment.



## Notes to the Financial Statements

### Year ended 31 March 2025

#### 2 Statement of compliance

##### a) Preparation of financial statements

- i) These financial statements have been prepared under and comply with:
- The 'historical cost convention' in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS-IC) as issued or adopted by the International Accounting Standards Board (IASB),
  - The IAS (International Accounting Standards) and
  - The requirements of Implementing Regulations No 1 of 2004 pursuant to Emiri Decree 6 of 1987 of HH the Ruler of Fujairah of the Fujairah Free Zone Authority (FFZA-IR),
  - Besides other local requirements.

##### ii) Exception to 'historical cost convention'

Those financial and non-financial assets that are measured at fair values at the reporting date, as explained at Note 3 (f).

##### iii) Exception to compliance with IAS

An incidental departure from the IAS, if any, is unintentional and does not materially affect the financial position of the Establishment or the performance for the reporting period.

##### iv) Exception to compliance with IFRS

An incidental departure from the IFRS, if any, is unintentional and does not materially affect the financial position of the Establishment or the performance for the reporting period.

##### v) Fundamental accounting concepts

The Establishment has adhered, as far as practically possible, to the principles of accounting period, matching, conservatism, continuity, economic entity, adequate disclosure and monetary unit.

##### vi) Basis of consolidation

These are stand-alone financial statements of the Establishment.

##### b) Judgements, estimates and assumptions

###### Underlying concept

Use of significant judgements, estimates and assumptions that are made by Management.

###### Basis

The historical experience and reasonable expectations of future events.

###### Affecting

- The application of accounting policies,
- The reported amounts of assets & liabilities, income & expenses and
- Disclosure of contingencies & commitments.

###### Application relates to

- Lives of items of property, plant and equipment, their residual values and impairment in their values;
- Investment properties, investments and provision for impairment in their values;
- Provision for doubtful trade and contracts receivables, advances and write-down of inventories (if any);
- Provisions for warranties, staff end-of-service gratuity, contingencies or uncertainties and
- Future contract costs expected to be incurred to complete the projects.

##### c) Responsibility towards financial statements

- These financial statements are prepared by the Authorised Signatory of the Establishment who bears full legal, financial and moral responsibility for the information presented
- Although the work of preparation has been outsourced to Prudential Accounting®, the ultimate responsibility continues to be that of the Management of the Establishment.
- Prudential Accounting® acknowledges that the Management of the Establishment has been authorised to use the format for their own use and it will not be copied without permission and payment of the requisite fees.
- The format refers to the manner of drafting of the Notes for presentation thereof and not the contents as required by IFRS.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**2 Statement of compliance (Continued)**

**d) License and local regulations**

Management confirms that the Establishment has complied with all local regulations and has not wilfully contravened any regulations applicable to it including, but not limited to, the following:

**i) CCL (Commercial Company Law)**

The Establishment has complied with the requirements of the UAE Federal Law No 32 of 2021 on Commercial Companies, as amended (CCL).

**ii) FFZA-IR**

The Establishment has adhered to the Implementing Regulations of Fujairah Free Zone Authority (FFZA-IR) and the other relevant requirements that it specifies.

**iii) Licensed activity**

The Establishment has not intentionally indulged in or carried out any activity that it is not licensed to perform.

**iv) PE (permanent establishment)**

The Management confirms that the Establishment has carried out business from the address that is mentioned on its license as its place of business (its office).

**v) UBO (ultimate beneficial owner)**

The Management has declared the UBO of the Establishment to the licensing authority as required under the Cabinet Decision No 20 of 2018, as amended.

**vi) CPC / CrPC**

The Establishment has not purposely contravened provisions of the Federal Decree by Laws No 38 of 2022 Promulgating the Criminal Procedures Law and No 42 of 2022 on Civil Procedure, as amended.

**vii) All other compliances**

The Establishment has, to the best of the knowledge of the Management, not violated any laws and regulations of UAE.

**e) Local and international taxes, duties and fees**

Management confirms that the Establishment has complied with all relevant tax laws and has not wilfully contravened any regulations applicable to it including, but not limited to, the following:

**i) Direct taxation – CT (Corporate Tax Law)**

The Establishment has not wilfully violated any provisions of the Federal Decree Law No 47 of 2022 on the Taxation of Corporations and Businesses, as amended.

**ii) Indirect taxation – VAT (Value Added Tax)**

The Establishment has not crossed the mandatory threshold for registering with the FTA (Federal Tax Authority) and has not obtained a TRN (Tax Registration Number) for VAT (Value Added Tax).

**iii) Indirect taxation – Excise duty**

The Establishment is rendering services and the requirements of Federal Law No 7 of 2017, as amended, do not apply to it.

**iv) Indirect taxation – Customs duty**

The Establishment is rendering services and the requirements of Federal Law No 19 of 2002, as amended, do not apply to it.

**v) International taxation – ESR**

The requirements of Cabinet Regulation 57 of 2020 concerning the Economic Substance Regulation, as amended, are no longer applicable to businesses operating in the UAE.

**vi) International taxation – TP (Transfer pricing)**

The Establishment maintains arms length pricing with third parties and related parties in adherence to the principle set forth in Article 9 of the OECD Model Tax Convention.

**vii) Pillar II taxation**

The Establishment is a part of a group whose international revenues exceed Euro 750mn and the Pillar II taxation may apply to it.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**2 Statement of compliance (Continued)**

**f) Labour regulations**

Management confirms that the Establishment has not wilfully contravened any provisions applicable to it under the Federal Law No 8 of 1980 on Regulation of Labour Relations, as amended, read with Federal Laws No 33 & 47 of 2021, as amended, including, but not limited to, the following:

**i) Work permits**

The Establishment is registered in a free zone and is not required to apply for work permits, but is not exempt from application of the overall law as a federal requirement.

**ii) End-of-service benefits**

The Establishment had no employees during the reporting period, so, no 'Staff end-of-service gratuity' is provided at the end of the reporting period in these financial statements.

**iii) Staff pension**

The Establishment does not recruit Emaratis and is not required to make monthly contributions as an eligible employer according to Pension Law No 57 of 2023, as amended.

**iv) WPS (wages protection system)**

Although the Establishment is not required to pay staff salaries as required by Ministerial Resolution No 43 of 2022 on Wages Protection System, it has not defaulted on its obligations.

**v) Job loss insurance**

The Establishment is not required to make a contribution under the Federal Decree Law No 13 of 2022 Concerning Unemployment Insurance Scheme.

**vi) Localisation**

The Establishment is not a mainland entity and does not have more than 20 employees so the Ministerial Resolution No 455 of 2023 for Emaratisation Targets do not apply to it.

**g) Immigration law**

The Establishment has not knowingly violated any provisions of the Federal Decree Law No 17 of 2017, as amended, concerning Immigration and Residence in the UAE.

**h) Health insurance**

Although the Establishment has no employees, the conditions of the Federal Law No 11 of 2013 concerning health insurance are implemented for the Manager.

**i) Traffic law**

The Establishment does not own motor vehicles, as a result, the regulations of the Federal Law No 21 of 1995 on Traffic, as amended, do not apply to it at present.

**j) General insurance**

The Establishment maintains an office and is exposed to the financial implications of a risk to the office premises and its contents by fire or natural causes.

**k) Identification cards**

The Management has renewed the Establishment Card with Immigration Dept and the Establishment is not required to apply for one from the Labour Department.

**l) CSR initiatives**

The Establishment is not under a statutory obligation to apportion a part of its revenues towards corporate social responsibility spending during the reporting period.

**m) Administrative penalties**

The Establishment was not exposed to any significant administrative penalties, that indicate delinquency of the Management, during the reporting period.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**2 Statement of compliance (Continued)**

**n) AML/CFT**

The Establishment has not knowingly violated any regulations of the Federal Decree Law No 20 of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations, as amended.

**i) AML reporting**

The Establishment is not a DNFBP (designated non-finance business or profession) and is not required to file AML (anti-money laundering) reports with the MoE (ministry of economy) and does not carry out any other activity that requires such a filing.

**ii) ML transactions**

The Management of the Establishment has not knowingly engaged into any restricted transaction to carry out or execute activities including, but not limited to, the following:

- money laundering
- terrorism financing
- financing proliferation of weapons
- production or distribution of narcotics
- human trafficking
- wildlife trade
- causing or spreading communal disharmony
- antiquities theft
- tax evasion
- such internationally prohibited activities

**iii) Risk assessment**

The Establishment confirms the identity of its employees, suppliers and customers by verifying their key documents, address and social media presence and does not deal with sanctioned entities.

**o) Financial institution**

The Establishment is not a 'licensed financial institution' under Articles 6.1 & 7 of the Federal Law No 32 of 2021 and the requirements of Article 114 of the Decretal Federal Law No 14 of 2018 do not specifically apply to it.

**p) Investments during the reporting period**

The Establishment has not purchased any shares during the year ended 31 March 2025.

**q) Board meetings**

The Establishment has only 1 Shareholder, and although being a corporate shareholder, the condition of holding meetings of the board of directors is not applicable to it directly.

**r) Capital structure**

The Management tries its best to realise outstanding amounts and pay its liabilities within the due dates and endeavors to maintain a healthy working capital cycle for the Establishment.

**s) Manager's Report**

The financial information contained in the Manager's Report, in so far as it relates to these financial statements, is consistent with the books of account of the Establishment.

**t) Related party**

Note 19 to the financial statements discloses material related party transactions to the full extent known to the Management.

Note 7 (k) to these financial statements elaborates the significant accounting policies adopted for related party.

**u) Changes in accounting policy**

There have been no intentional changes in accounting policies that would materially affect the financial position of the Establishment or its performance for the reporting period.

The significant accounting policies adopted and consistently applied have been described at Notes 2 to 10 of these financial statements.



## Notes to the Financial Statements

### Year ended 31 March 2025

#### 3 Basis of preparation

##### a) Statement of compliance

Notes 2 to 10 of these financial statements encompass the overall basis of preparation of these financial statements by the Management of the Establishment.

##### b) Presentation currency

UAE Dirham (AED) rounded off to the nearest unit as this is the currency of the primary economic environment in which the Establishment operates.

##### Alternate transactional currency

Transactions carried out in the US Dollar (USD), which is pegged to the UAE Dirham (AED), are recorded at a fixed exchange rate of AED 3.67 per USD.

##### Residual currency transactions

Transactions carried out in other currencies, besides the domicile and transactional currencies, are recorded at the exchange rate prevailing on the day of the transaction.

##### c) Accrual basis of accounting

The financial statements, except for the statement of cash flows, are prepared using the accrual basis of accounting.

##### Effect

All items of assets, liabilities, equity, income and expenses are recognised as they arise.

##### Exception

Considering their immateriality, some expenses are treated as period costs and written off when incurred without carrying them over to the next reporting period.

##### d) Going concern basis of accounting

- The Establishment will be able to meet its payment obligations as and when they fall due for payment.
- The financial support of the Shareholder would be available on a continuing basis.
- The operations are not profitable, but the equity is not below 50% of the Share Capital and the current assets exceed the current liabilities and the Establishment has a sound financial position.

##### e) Accounting period

The financial year-end of 31 March is followed since the previous period.

##### Basis

This is in accordance with the Memorandum of Association (MoA).

##### f) Impairment of assets

##### i) Financial assets

##### Composition

- Current financial assets
- Other receivables
- Cash equivalent

##### Stated at

Cost less impairment, if any

##### Assessment of impairment

Assessed to identify any evidence of impairment on the basis of:

- Default or delinquency by a debtor,
- The perceived creditworthiness of the debtor,
- The age of debts and serviceing, if any, and
- Management's experience in dealing with him and other similar debts.

##### ii) Non-financial assets

##### Composition

- The Establishment has not created any non-financial assets.

##### Stated at

Cost less impairment, if any

##### Assessment of impairment

These are periodically reviewed to determine any indication of impairment

##### Adjustment in the event of impairment

- The asset is reported at the assets' recoverable amount as estimated and
- Impairment loss (excess of carrying amount over recoverable amount) recognised in statement of profit or loss and other comprehensive income.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**3 Basis of preparation (Continued)**

**g) New and amended standards**

**Composition**

Standards and amendments that:

- are effective for the first time from the current year, i.e., 01 April 2024 and
- have become effective but are not yet mandatory.

**Justification for applying / selectively adopting standards that are not mandatory**

- They presently have no material impact on the Establishment's financial statements and
- The Establishment intends to adopt these new standards, if applicable, when they become effective.

**i) Amendments effective for previous period – Applicable to the Establishment**

**IAS 1:** Presentation of FS – Classification of Liabilities as Current and Non-Current.

**IFRS 3:** Business combinations – Amendment of Definition of a Business.

**IAS 8:** Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Disclosure Initiative - Definition of Material).

**IFRS 16:** Leases. (Notes 9)

**IAS 16:** Proceeds before Intended Use of Property, Plant and Equipment.

**IAS 37:** Cost of Fulfilling Onerous Contracts.

**IFRS 2018–20 Cycle:** Various amendments, already appropriately applied & implemented.

**ii) Amendments effective for previous period – Not applicable to the Establishment**

**IBOR – Phase I:** Effects on Financial Reporting.

**IFRS 9:** Prepayments Features with Negative Compensation.

**IAS 12:** Deferred Tax Related to Assets & Liabilities Arising from a Single Transaction.

**IFRS 17:** Insurance Contracts.

**iii) Amendments effective for current year – Not applicable to the Establishment**

**IAS 1:** Non-current Liabilities with Covenants.

**IAS 7 & IFRS 7:** Supplier Finance Arrangements.

**IFRS 16:** Lease Liability in a Sale and Leaseback.

**g) New and amended standards (Continued)**

**iv) Amendments effective for current year – Applicable to the Establishment**

**IAS 1:** Classification of Liabilities as Current and Non-Current.

**IFRS S1:** Sustainability-related Information.

**IFRS S2:** Climate-related Disclosures.

**Interpretation 23:** Uncertainty on Income Tax Treatments.

**v) Forthcoming requirements available for early adoption – Currently effective**

**Not early adopted by the Establishment**

**IBOR – Phase II:** Amendments to IFRS 4, 7, 9 & 16 and to IAS 39.

**IAS 7 – Statement of Cash Flows & IFRS 7 – Financial Instruments:** Disclosure Requirements of adding 'signposts' for qualitative & quantitative information on supplier financed arrangements.

**SASB Standards:** (Sustainability Accounting Standards Board) for reporting on relevant industries, topics and metrics.

**vi) Forthcoming requirements available for early adoption – Effective as of mentioned dates**

**Not early adopted by the Establishment**

**IAS 21:** Lack of Exchangeability – Effects of Changes in Foreign Exchange Rates (effective 01 January 2025).

**IFRS 9 & 7:** Amendments to Classification & Measurement of Financial Instruments (effective 01 January 2026).

**IFRS 18:** Presentation & disclosure in financial statements for (a) classifying all income and expenses in 5 categories (operating, investing, financing, discontinued operations & income tax), (b) management defined performance measures and (c) grouping of information (IFRS 18 replaces IAS 1 on 01 January 2027).

**IFRS 19:** Subsidiaries without Public Accountability (effective 01 January 2027).

**IFRS 10 & IAS 28:** Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (deferred indefinitely).



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**3 Basis of preparation (Continued)**

**h) Acronyms used in these financial statements**  
(sorted by approximate order of appearance)

- i) **FFZA**  
Fujairah Free Zone
- ii) **CCL**  
Commercial Company Law {refer Note 2 (d) (i)}
- iii) **IAS**  
International Accounting Standards
- iv) **IASB**  
International Accounting Standards Board
- v) **ISA**  
International Standards on Auditing
- vi) **IFRS**  
International Financial Reporting Standards
- vii) **FZE**  
Free Zone Establishment
- viii) **MoA**  
Memorandum of Association
- ix) **FTA**  
Federal Tax Authority
- x) **CT**  
Corporate Tax Law
- xi) **VAT**  
Value Added Tax
- xii) **AED**  
United Arab Emirates Dirhams
- xiii) **USD (or the symbol \$)**  
United States Dollars
- xiv) **ECL**  
Expected Credit Loss

**i) References to laws**

- i) All references to laws are "as amended".
- ii) Only perfunctory evaluation is carried out.

**j) Definitions used in these financial statements**

- i) Management  
As stated at Note 1 (b) (iv).
- ii) Establishment  
As defined in the CCL.
- iii) Cost (this comprises of two elements)
  - Cost composition
    - Invoice value plus applicable landing charges.
  - Cost basis
    - Cost is arrived at using the FIFO (first-in-first-out) method.
- iv) NRV (net realisable value)  
Estimated selling price less any estimated selling expenses.
- v) Definitions at (iii) & (iv) are specifically used at:
  - Note 6 (h) (iii) for 'Inventories'.
  - As an inference elsewhere.
- vi) Effective interest rate method
  - A method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.
  - Used at:
    - Note 4 (i) (ii) for 'Other income' under the point 'Classification for interest income'.
    - Note 7 (f) (iii) for 'Borrowings' u/p 'Stated at'.
    - Note 7 (f) (vi) for 'Borrowings' u/p 'Repayment'.
    - Note 7 (j) (vi) for 'Trade and other payables' under the point 'Stated at'.
    - Note 8 (b) (ii) for 'Financial assets at amortised cost' under the point 'Stated at'.
    - Note 8 (c) (ii) for 'FAFVOCI (financial assets at fair value through other comprehensive income)' under the point 'Interest income'.
- vii) Effective interest rate
  - The rate that exactly discounts estimated future cash payments through the expected life of the financial liability.
  - This is used at Note (vi) above and at
  - Note 4 (i) (ii) for 'Other income' under the point 'Classification for interest income'.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**4 Summary of significant accounting policies adopted and consistently applied – revenue**

- |  |   |
|--|---|
| <p><b>a) Composition (No Note)</b></p> <p>i) The Establishment is engaged in executing:</p> <ul style="list-style-type: none"> <li>- Construction contracts and</li> <li>- Related services.</li> </ul> <p>ii) The Establishment does not render services. However, it generates revenue from:</p> <ul style="list-style-type: none"> <li>- Commission on broking contracts which the Establishment is licensed to execute.</li> </ul> <p><b>b) Contracting</b></p> <p>Refer (e) to (h) on the next page.</p> <p><b>c) Services</b></p> <p>i) <b>Stated at</b></p> <p>Invoiced value of services rendered net of discounts, recognised when performance obligation and other relevant conditions are satisfied, as explained below:</p> <p>ii) <b>Instance of recognition</b></p> <p>Revenue is recognised at a point in time at which the performance obligation is satisfied or one of the following conditions are satisfied:</p> <ul style="list-style-type: none"> <li>- The customer simultaneously receives and consumes the benefits provided by the Establishment's performance as the Establishment performs.</li> <li>- The Establishment's performance creates or enhances an asset that the customer controls as such asset is created or enhanced.</li> <li>- The Establishment's performance does not create an asset with an alternative use to the Establishment and it has an enforceable right to payment for performance completed to date.</li> </ul> | <p><b>d) Risk analysis</b></p> <p>i) <b>Credit risk – concentration</b></p> <ul style="list-style-type: none"> <li>• Definition, recognition &amp; presentation</li> <li>- Notes 10 (f) and Table A on Page 45.</li> <li>• Exposure</li> <li>- It is normal in the industry in which the Establishment operates for significant revenue to be concentrated with a few</li> <li>• Mitigation</li> <li>- The risk cannot be mitigated</li> </ul> <p>ii) <b>Currency risk</b></p> <ul style="list-style-type: none"> <li>• Definition, recognition &amp; presentation</li> <li>- Notes 10 (g) and Table A on Page 45.</li> <li>• Exposure</li> <li>- Invoices are raised on customer in UAE Dirhams or US Dollars, which is pegged to the UAE Dirham.</li> <li>- As a result, the Establishment is not exposed to any fluctuation of currency risk.</li> <li>• Mitigation</li> <li>- Not required.</li> </ul> <p>iii) <b>Interest rate risk</b></p> <ul style="list-style-type: none"> <li>• Definition, recognition &amp; presentation</li> <li>- Note 10 (h) and Table A on Page 45.</li> <li>• Exposure</li> <li>- This risk is not relevant for revenue.</li> </ul> <p>iv) <b>Market prices risk</b></p> <ul style="list-style-type: none"> <li>• Definition, recognition &amp; presentation</li> <li>- Notes 10 (i) and Table A on Page 45.</li> <li>• Exposure</li> <li>- This is a regular feature of the industry in which the Establishment operates.</li> <li>• Mitigation</li> <li>- Not required.</li> </ul> <p>v) <b>Liquidity risk</b></p> <ul style="list-style-type: none"> <li>• Definition, recognition &amp; presentation</li> <li>- Notes 10 (j) and Table A on Page 45.</li> <li>• Exposure</li> <li>- The Establishment has retained most of its customer.</li> <li>• Mitigation</li> <li>- Not required.</li> </ul> |
|--|---|



## Notes to the Financial Statements

### Year ended 31 March 2025

#### 4 Summary of significant accounting policies adopted and consistently applied – revenue (Continued)

- e) The five step model set out in IFRS 15 for recognising revenue from contracts:
- i) Step 1 – Identify the contract with a customer:
    - A contract is defined as an agreement between two or more parties,
    - that creates enforceable rights & obligations
    - and sets out the criteria for every contract that must be met.
  - ii) Step 2 – Identify the performance obligations in the contract:
    - A performance obligation is a promise in a contract with a customer,
    - to transfer a good or service to the customer.
  - iii) Step 3 – Determine the transaction price:
    - The transaction price is the amount of consideration,
    - to which the Establishment expects to be entitled,
    - in exchange for transferring promised goods or services to a customer,
    - excluding amounts collected by third parties.
  - iv) Step 4 – Allocate the transaction price to the performance obligations:
    - For a contract that has more than one performance obligation,
    - a transaction price to each performance obligation is allocated,
    - in an amount that depicts the amount of consideration,
    - to which the Establishment expects to be entitled,
    - in exchange for satisfying each performance obligation.
  - v) Step 5 – Recognise revenue:
    - Establishment satisfies performance obligation.
- f) **Contracts revenue – contracts revenue from fixed price construction contracts**
- i) Composition  
Value of work executed during the period.
  - ii) Recognition
    - Contract is executed and approved, as elaborated in the agreements,
    - recovery of the consideration is probable regardless of when the amount is settled and
    - the amount of the revenue and the costs incurred and to be incurred can be measured reliably.
- iii) Composition basis
- Recognised on the percentage of completion method and
  - measured by reference to the percentage of costs incurred to the end of the reporting period to estimated total costs for each contract based upon the consultants' approval of the work carried out as per the progress certificate of individual contracts
  - with a provision for all losses expected to arise on completion of contracts.
- iv) Composition exception  
When the outcome of a contract cannot be estimated reliably, it is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised when incurred.
- g) **Construction contracts – work-in-progress**
- i) Composition
    - Represents the gross unbilled amount / (uncertified work) expected to be collected
    - from customer for contract works performed to the date of the reporting period.
  - ii) Composition basis
    - Measured at costs incurred on contracts plus profit recognised to date less progressive billings and recognised losses where
    - Cost includes all expenditure directly attributable to the specific projects and
    - an allocation of variable overhead expenses in the Companies' activities based on normal operating capacity.
- h) **Presentation**
- i) Presented as part of 'contracts and other receivables' in the 'Combined statement of financial position' for all contracts in which costs incurred plus recognised profits exceed progress billings.
  - ii) If progress billings exceed costs incurred plus recognised profits, then the difference is presented as 'deferred contracts income/revenue' under 'contracts and other payables' in the 'Combined statement of financial position'.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**4 Summary of significant accounting policies adopted and consistently applied – revenue (Continued)**

- |   |  |
|---|--|
| <p><b>i) Other income (No Note)</b></p> <p><b>i) Composition</b></p> <ul style="list-style-type: none"> <li>• Interest income {See (ii) to (iv) &amp; (j)}<br/>(Except where it is earned from investments)</li> <li>• Foreign exchange gain (net) {See Note 5 (g)}</li> </ul> <p><b>ii) Classification for interest income</b></p> <ul style="list-style-type: none"> <li>• Where interest income is earned from financial assets at fair value:                         <ul style="list-style-type: none"> <li>- Added to the net fair value gains/(losses) on the underlying assets and</li> <li>- routed through profit or loss.</li> </ul> </li> <li>• Where interest income is earned on financial assets at amortised cost and financial assets at fair value:                         <ul style="list-style-type: none"> <li>- Calculated using the 'effective interest rate method' {explained at Note 3 (j) (vi)},</li> <li>- classified as 'Other income' and</li> <li>- routed through other comprehensive income.</li> </ul> </li> <li>• Where interest income earned from financial assets held for cash management purposes:                         <ul style="list-style-type: none"> <li>- Classified as 'Finance income' in the statement of profit or loss and other comprehensive income.</li> </ul> </li> <li>• Where interest (income) is earned or accrued from any other source:                         <ul style="list-style-type: none"> <li>- classified as 'Other income'.</li> </ul> </li> </ul> <p><b>iii) Stated at</b></p> <ul style="list-style-type: none"> <li>- Interest income is accrued taking into account the 'effective interest rate' {explained at Note 3 (j) (vii)},</li> <li>- comprises of interest on funds invested and</li> <li>- excludes interest classified as revenue.</li> </ul> <p><b>iv) Exceptions</b></p> <ul style="list-style-type: none"> <li>- Interest received on delayed receipts from customers of the Establishment are stated as a separate line item, although the policy applies to the same in a similar manner.</li> <li>- Interest or dividend earned on funds invested as an investment activity are classified as 'Revenue'.</li> </ul> | <p><b>j) Interest income (risk analysis)</b></p> <p><b>i) Credit risk</b></p> <ul style="list-style-type: none"> <li>• Definition, recognition &amp; presentation                         <ul style="list-style-type: none"> <li>- Notes 10 (f) and Table A on Page 45.</li> </ul> </li> <li>• Exposure                         <ul style="list-style-type: none"> <li>- This is identical to that of the underlying asset on which income is earned.</li> </ul> </li> <li>• Mitigation                         <ul style="list-style-type: none"> <li>- The risk cannot be mitigated</li> </ul> </li> </ul> <p><b>ii) Currency risk</b></p> <ul style="list-style-type: none"> <li>• Definition, recognition &amp; presentation                         <ul style="list-style-type: none"> <li>- Notes 10 (g) and Table A on Page 45.</li> </ul> </li> <li>• Exposure                         <ul style="list-style-type: none"> <li>- This is proportionate to that of the underlying asset on which income is earned.</li> </ul> </li> <li>• Mitigation                         <ul style="list-style-type: none"> <li>- The risk cannot be mitigated</li> </ul> </li> </ul> <p><b>iii) Fluctuation of interest rate risk</b></p> <ul style="list-style-type: none"> <li>• Definition, recognition &amp; presentation                         <ul style="list-style-type: none"> <li>- Notes 10 (h) and Table A on Page 45.</li> </ul> </li> <li>• Exposure                         <ul style="list-style-type: none"> <li>- Investments carry a fixed rate of interest that is not expected to fluctuate with time.</li> </ul> </li> <li>• Mitigation                         <ul style="list-style-type: none"> <li>- The risk, if any, is not material.</li> </ul> </li> </ul> <p><b>iv) Market prices risk</b></p> <ul style="list-style-type: none"> <li>• Definition, recognition &amp; presentation                         <ul style="list-style-type: none"> <li>- Notes 10 (i) and Table A on Page 45.</li> </ul> </li> <li>• Exposure                         <ul style="list-style-type: none"> <li>- None of the amounts are invested outside the UAE or the GCC, in general.</li> <li>- The Establishment is not exposed to risk of losing interest income on account of exposure to different political regions.</li> </ul> </li> <li>• Mitigation                         <ul style="list-style-type: none"> <li>- Not required.</li> </ul> </li> </ul> <p><b>v) Liquidity risk</b></p> <ul style="list-style-type: none"> <li>• Definition, recognition &amp; presentation                         <ul style="list-style-type: none"> <li>- Notes 10 (j) and Table A on Page 45.</li> </ul> </li> <li>• Exposure                         <ul style="list-style-type: none"> <li>- This risk is not relevant for interest income</li> </ul> </li> </ul> |
|---|--|



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**5 Summary of significant accounting policies adopted and consistently applied – expenses**

- |  |   |
|--|---|
| <p>a) <b>Cost of revenue</b> (No Note)</p> <p>i) <b>Composition</b></p> <ul style="list-style-type: none"> <li>• Cost of direct materials sold or consumed,</li> <li>• Cost of manpower acquired for onward supply of manpower,</li> <li>• Depreciation,</li> <li>• Staff costs directly identifiable,</li> <li>• Other costs that are directly identifiable with the costs of services provided, products sold or revenue generated and</li> <li>• Interest element in respect of issuance letters of credit relating to the purchases, which is directly identifiable.</li> </ul> <p>ii) If available, opportunities to broker related products / services are taken up.</p> <p>b) <b>Risk analysis</b></p> <p>i) <b>Credit risk – concentration</b></p> <ul style="list-style-type: none"> <li>• Definition, recognition &amp; presentation                         <ul style="list-style-type: none"> <li>- Notes 10 (f) and Table A on Page 45.</li> </ul> </li> <li>• Exposure                         <ul style="list-style-type: none"> <li>- The Management matches suppliers and customer for the same products, since this is the nature of the trade. The lower concentration is a natural effect of change in the revenue pattern.</li> <li>- This is a normal feature of the industry in which the Establishment operates, although Management is working on increasing the supplier base with strategic efforts.</li> </ul> </li> <li>• Mitigation                         <ul style="list-style-type: none"> <li>- This risk cannot be mitigated.</li> </ul> </li> </ul> | <p>b) <b>Risk analysis (Continued)</b></p> <p>ii) <b>Currency risk</b></p> <ul style="list-style-type: none"> <li>• Definition, recognition &amp; presentation                         <ul style="list-style-type: none"> <li>- Notes 10 (g) and Table A on Page 45.</li> </ul> </li> <li>• Exposure                         <ul style="list-style-type: none"> <li>- All the purchases are in UAE Dirhams or US Dollars, to which the UAE Dirham is pegged.</li> <li>- The Establishment is not significantly exposed to any fluctuation of currency risk with respect to cost of revenue.</li> </ul> </li> <li>• Mitigation                         <ul style="list-style-type: none"> <li>- Not required.</li> </ul> </li> </ul> <p>iii) <b>Interest rate risk</b></p> <ul style="list-style-type: none"> <li>• Definition, recognition &amp; presentation                         <ul style="list-style-type: none"> <li>- Note 10 (h) and Table A on Page 45.</li> </ul> </li> <li>• Exposure                         <ul style="list-style-type: none"> <li>- This risk is not relevant for cost of revenue.</li> </ul> </li> </ul> <p>iv) <b>Market prices risk</b></p> <ul style="list-style-type: none"> <li>• Definition, recognition &amp; presentation                         <ul style="list-style-type: none"> <li>- Notes 10 (i) and Table A on Page 45.</li> </ul> </li> <li>• Exposure                         <ul style="list-style-type: none"> <li>- The Management matches suppliers and customer for the same products, since this is the nature of the trade. The lower concentration is a natural effect of change in the revenue pattern.</li> <li>- This is a normal feature of the industry in which the Establishment operates, although Management is working on increasing the supplier base with strategic efforts.</li> </ul> </li> <li>• Mitigation                         <ul style="list-style-type: none"> <li>- Not required.</li> </ul> </li> </ul> <p>v) <b>Liquidity risk</b></p> <ul style="list-style-type: none"> <li>• Definition, recognition &amp; presentation                         <ul style="list-style-type: none"> <li>- Note 10 (j) and Table A on Page 45.</li> </ul> </li> <li>• Exposure                         <ul style="list-style-type: none"> <li>- This risk is not relevant for cost of revenue.</li> </ul> </li> </ul> |
|--|---|



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**5 Summary of significant accounting policies adopted and consistently applied – expenses (Continued)**

- |  |   |
|--|---|
| <p><b>c) Selling expenses (No Note)</b><br/>The selling expenses that are incidental to carrying out any present or future business activity are included in the administrative expenses as they are not significant enough to be classified separately.</p> <p><b>d) Administrative expenses (Note 11 on Pg 41)</b><br/>All the expenses are in UAE Dirhams or US Dollars, which is pegged to the UAE Dirham.</p> <p><b>e) Staff cost (No Note)</b><br/>These are stated separately as they form a significant part of the overall costs incurred by the Establishment.</p> <p><b>f) Other expense (No Note)</b><br/>Includes impairment to trade receivables, recognition of impairment in financial assets, exchange losses and other expenses that are not directly related to the business of the Establishment and foreign exchange loss (net).</p> <p><b>g) Foreign exchange gain/(loss) (net)</b></p> <ul style="list-style-type: none"> <li>• Composition                         <ul style="list-style-type: none"> <li>- See Note 8 (j) for 'Foreign currency transactions and balances' that elaborates the underlying transactions that ultimately lead to generation of foreign exchange gain or incurring of foreign exchange loss.</li> </ul> </li> <li>• Classification                         <ul style="list-style-type: none"> <li>- Foreign exchange gain (net)<br/>Classified as 'Other income' {See Note 4 (i)}</li> <li>- Foreign exchange loss (net)<br/>Classified as 'Other expense' {See Note 5 (f)}</li> </ul> </li> </ul> | <p><b>h) Borrowing costs (No Note)</b></p> <p><b>i) Composition</b><br/>Costs incurred on funds obtained from banks, financial institutions or related parties.</p> <p><b>ii) Revenue recognition</b><br/>Accrued and expensed out on period basis.</p> <p><b>iii) Capitalisation</b><br/>Added to the cost of the assets concerned to the extent directly attributable to the acquisition / construction / production of the qualifying assets that necessarily take a substantial period of time beyond a reporting period to get ready for their intended use or sale.</p> <p><b>iv) Exception</b><br/>The Establishment has not availed loan or borrowed funds to satisfy its short term or long term capital requirements during the reporting period.</p> <p><b>i) Depreciation (No Note)</b><br/>Like 'Staff cost', for activities that could be identified separately, the reclassification of depreciation is stated as a separate note for the comfort of the reader of these financial statements.</p> |
|--|---|



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**5 Summary of significant accounting policies adopted and consistently applied – expenses – taxes**

**j) Direct taxes – CT (Note 18 on Pg 43) m) Indirect taxes – VAT (Notes 14 & 17)**

**i) Composition**

Corporate and income-tax (CT & IT).

**ii) General exception**

The Establishment is not engaged in:

- production of oil & gas or
- extraction of natural resources in UAE and
- it does not belong to the banking sector.

**iii) Inclusion under corporate tax**

In accordance with Federal Decree Law No 47 of 2022, the Establishment's net income is liable for tax @9% on profits exceeding AED 370,000 with effect from 01 January 2024.

**CT**

**Applicable  
@9%**

**Pillar II**

**May be  
Applicable**

**i) Composition**

VAT (Value-added tax).

**ii) Classification**

- VAT charged by suppliers (input credits)
- Expensed out as 'Administrative expenses' after deregistration.
- VAT charged to customer.
- VAT is not charged to the customers as the Establishment does not possess a TRN.
- VAT on unbilled expenses
- VAT is not accounted for on provisions during the reporting period that have not been billed and have been settled / paid after the end of the reporting period.

**iii) Settlement**

The net amount of VAT payable after offsetting the VAT receivable is paid to the Government within the stipulated time of 28 days from the end of the Tax Period as allocated to the Establishment.

**VAT**

**Applicable  
@5%**

**Excise**

**Not  
Applicable**

**k) WHT / TDS**

**i) Composition**

Withholding taxes / Tax deducted at source.

**ii) Exception**

WHT is applicable at 0% in the UAE at present.

**l) Direct taxes – Pillar II taxation**

**i) Composition**

15% corporate tax on local profits generated by multinationals companies.

**ii) Exception**

The Group may have crossed the threshold of Euro 750 million revenue, as a result of which, Pillar II Taxes may be applicable to it.

**n) Indirect taxes – Excise**

**i) Composition**

Excise duty on specified products

**ii) Exception**

The Establishment is not trading in excisable products and is not registered for collection of excise duty on sales / revenue generation.

**o) Indirect taxes – Customs duty**

- Customs duty, where paid, is expensed out.
- Duty, where applicable, is at 5% of CIF value.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**6 Summary of significant accounting policies adopted and consistently applied – assets**

**a) Property, plant and equipment**

(Note 12 on Pg 52)

**i) Composition and estimated useful life**

The Establishment maintains essential paraphernalia to justify the existence of a permanent establishment in the Fujairah Free Zone. However, all assets have been completely written off.

**ii) Recognition and measurement**

- Stated at  
Cost less accumulated depreciation and impairment losses
- Subsequent expenditure
  - All the repairs and maintenance costs are charged to the statement of profit or loss and other comprehensive income of the period in which they are incurred.
  - Capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Establishment and the cost of the item can be measured reliably.
- Disposal  
Gains or losses on disposal are determined by reference to their carrying amount and are included in the statement of profit or loss and other comprehensive income.

**iii) Depreciation**

- Basis  
The cost or valuation, less estimated residual value, is depreciated using the straight-line method from the date of acquisition to the estimated useful lives of the assets.
- Exclusions
  - Freehold land is not depreciated – it is expected to have an indefinite useful life, with the exception of leased land.
  - Capital work-in-progress is not depreciated – depreciation commences from the date the asset is available for use and transferred to the respective asset category.

**iv) Impairment**

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

**v) Value**

- Residual value  
Assessed at end of each reporting period and, where material, if there is a change in estimate, appropriately adjusted with depreciation.
- Fair value
  - Assessed as an estimate of residual values at each end of the reporting period in the absence of market value.
  - Taken into account in the event of an identifiable material difference between cost less depreciation and such fair value assessed.

**vi) Revaluation**

- Freehold land and buildings
  - In the opinion of Management, where reliable estimates of market value are available, stating the Establishment's freehold and leasehold land and buildings at valuation provides a more meaningful reflection of the decisions to acquire such properties and of the Establishment's asset position at the end of reporting period.
  - The Establishment does not own any land and building at present and this policy will be implemented when these are acquired.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**6 Summary of significant accounting policies adopted and consistently applied – assets (Continued)**

**a) Property, plant and equipment (Continued)**

**vi) Revaluation (Continued)**

• Other assets

Where revaluation causes a change in the carrying amount of an asset:

- Increase: credited to other comprehensive income and shown as revaluation reserve in the statement of changes in equity.
- Decrease: accounted as loss in the statement of profit or loss and other comprehensive income.
- Increase: to the extent it reverses the previous decrease of the same asset which was previously recognised as loss under the statement of profit or loss and other comprehensive income, is recognised as a gain in the statement of profit or loss and other comprehensive income.
- Decrease: to the extent it reverses the previous increase of the same asset, is charged in other comprehensive income and directly debited to revaluation reserve in the statement of changes in equity.

**vii) Revaluation reserve**

- An amount equal to the additional depreciation charge each year arising as a result of the revaluation is transferred from revaluation reserve to retained earnings.
- The revaluation reserve is not available for distribution.
- On disposal of a revalued asset, the remaining related revaluation reserve, if any, is transferred to retained earnings.

**b) Risk analysis**

**i) Credit risk**

- Definition, recognition & presentation
  - Note 10 (f) and Table A on Page 45.
- Exposure
  - The Establishment is not exposed to any credit risk as it has not borrowed funds to finance any of its assets.
- Mitigation
  - Not required.

**ii) Currency risk**

- Definition, recognition & presentation
  - Note 10 (g) and Table A on Page 45.
- Exposure
  - This risk is not relevant for property, plant and equipment.

**iii) Interest rate risk**

- Definition, recognition & presentation
  - Note 10 (h) and Table A on Page 45.
- Exposure
  - This risk is not relevant for property, plant and equipment.

**iv) Market prices risk**

- Definition, recognition & presentation
  - Note 10 (i) and Table A on Page 45.
- Exposure
  - The 'Property, plant and equipment' is not exposed to risk of obsolescence and replacements are easily available.
- Mitigation
  - Not required.

**v) Liquidity risk**

- Definition, recognition & presentation
  - Note 10 (j) and Table A on Page 45.
- Exposure
  - Funding the replacement of a significant portion of the 'Property, plant and equipment' in case of a sudden transition will not jeopardise the ability of the Establishment to continue to function as a
- Mitigation
  - Not required.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**6 Summary of significant accounting policies adopted and consistently applied – assets (Continued)**

**c) Non-current financial asset**

**(Note 13 on Pg 53)**

**i) Composition**

- Deposits
  - held with banks,
  - held with FFZA and
  - held with the landlord.
- Other deposits

**ii) Stated at**

- The deposits are expected to be unrealisable during the lifetime of the Establishment.
- As a result, they are not carried over at any realisable value and they are completely written off when created.

**d) Risk analysis**

**i) Credit risk – exposure**

- Definition, recognition & presentation
  - Note 10 (f) and Table A on Page 45.
- Exposure
  - Deposits held with banks
    - No deposits are maintained with any bank at present and this risk is not relevant.
  - Deposits with the registration authority
    - These are already entirely written off and the risk of non-recovery is assumed ab initio.
  - Deposits with utility service providers
    - These are already entirely written off and the risk of non-recovery is assumed ab initio.
  - Deposits with the landlord
    - These are expected to be utilised for handing over reconditioning and are entirely written off during the period when they were placed.
- Mitigation
  - Not required.

**ii) Currency risk**

- Definition, recognition & presentation
  - Note 10 (g) and Table A on Page 45.
- Exposure
  - All deposits are maintained in the UAE Dirham, which is the domicile currency.
  - There is no exposure to currency risk.
- Mitigation
  - Not required.

**iii) Interest rate risk**

- Definition, recognition & presentation
  - Note 10 (h) and Table A on Page 45.
- Exposure
  - No deposits are maintained with banks so interest rate fluctuation risk is irrelevant.
  - Deposits maintained with any other party are not interest bearing and are not exposed to fluctuation of interest risk.
- Mitigation
  - Not required.

**iv) Market prices risk**

- Definition, recognition & presentation
  - Note 10 (i) and Table A on Page 45.
- Exposure
  - Deposit maintained with the landlord may be forfeited on account of unpredictable reasons, and this risk is taken into account by recognising full impairment.
  - Amounts deducted as fees while withdrawing some deposits are not taken into account for recognising impairment.
- Mitigation
  - Not required.

**v) Liquidity risk**

- Definition, recognition & presentation
  - Note 10 (j) and Table A on Page 45.
- Exposure
  - Deposit with the landlord will be utilised for reconditioning upon surrendering the office, as a result, it is written off.
  - Most other deposits are not intended to be realised during the lifetime of the Establishment.
- Mitigation
  - Not required.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**6 Summary of significant accounting policies adopted and consistently applied – assets (Continued)**

e) <b>Investment</b>	(No Note)	e) <b>Investment (Continued)</b>	(No Note)
i) <b>Composition</b>		v) <b>Impairment</b>	
The Establishment has not, at present, created any investment grade assets.		<ul style="list-style-type: none"> <li>- Tested for impairment when there are indicators of impairment.</li> <li>- Recognised when the carrying amount of the investment exceeds its recoverable amount.</li> <li>- Recoverable amount is the higher of the investment's fair value less costs to sell and its value in use.</li> </ul>	
ii) <b>Stated at</b>		g) <b>Intangible asset</b>	
When the Establishment decides to create an investment grade asset, it will be:		(No Note)	
<ul style="list-style-type: none"> <li>- Stated at lower of its carrying amount and fair value less costs to sell.</li> <li>- Fair value is measured by reference to quoted market prices.</li> </ul>		i) <b>Composition &amp; estimated useful life</b>	
f) <b>Investment in subsidiaries</b>		<ul style="list-style-type: none"> <li>- Software if any, is expensed out every year.</li> <li>- Others Clubbed with associated assets</li> </ul>	
i) <b>Recognition</b>		ii) <b>Classification and stated at</b>	
These are recognised when the entity has control over the subsidiary.		<ul style="list-style-type: none"> <li>• Classified separately only when acquired independently from any other asset class.</li> <li>• When having finite useful lives</li> <li>- Stated at cost less accumulated amortisation and impairment losses.</li> <li>• When having indefinite useful lives</li> <li>- Carried at cost less accumulated impairment losses.</li> </ul>	
ii) <b>Control</b>		iii) <b>Amortisation of cost</b>	
Control is established when the entity has the power to govern the financial and operating policies of the subsidiary to obtain benefits from its activities.		Cost is amortised during the year the asset is created as the realisable benefit cannot be quantified in terms of value.	
iii) <b>Classification</b>			
<ul style="list-style-type: none"> <li>• Non-current assets</li> <li>- Normally classified as long-term investments and are reported as non-current assets.</li> <li>• Current assets</li> <li>- If they are expected to be realised or settled within one year from the reporting date.</li> </ul>			
iv) <b>Stated at</b>			
<ul style="list-style-type: none"> <li>• Initially</li> <li>Recognised at cost, which includes: <ul style="list-style-type: none"> <li>- the acquisition cost,</li> <li>- directly attributable transaction costs and</li> <li>- any adjustments made to the fair value of the identifiable assets, liabilities, and contingent liabilities acquired.</li> </ul> </li> <li>• Subsequently</li> <li>- Continued to be recognised at cost.</li> </ul>			



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**6 Summary of significant accounting policies adopted and consistently applied – assets (Continued)**

**h) Inventories (No Note)**

**i) Composition**

- Raw materials
- Work in progress
- Finished goods
- Goods in transit
- Replacement tools & consumables

**ii) Comprises**

Inventories include assets that are:

- held for sale in the ordinary course of business,
- in the process of production for such sale or
- in the form of materials or supplies to be consumed in the production process or in the rendering of services.

**iii) Stated / carried at**

- Generally
  - Lower of cost & net realisable value (NRV).
  - {See Notes 3 (j) (iii) & (iv) for definitions.}
- Raw materials
  - Cost of materials and
  - All relevant costs incurred in bringing the inventories to their present location and condition.
- Work in progress
  - Cost of raw materials as above,
  - Proportionate conversion costs and
  - Proportionate overheads.
- Finished goods
  - Cost of raw materials as above,
  - Conversion costs & overheads,
  - Cost of irrecoverable wastages and
  - Net unrealisable cost of by-products.
- Goods in transit
  - Cost of finished goods as above and
  - Proportionate delivery costs.

**iv) Estimate for write-down and reversals**

- Based on an annual review of the Establishment's inventories, the Management assesses the likely realisation proceeds.
- Inventory write-downs or reversals of write-downs are included in 'Cost of revenue'.

**v) Location**

- Inventories are maintained in the warehouse of the Establishment.
- The products do not need temperature controlled environment, however, the warehouse has an ambient temperature.
- Goods in transit are with shipping companies / transporters.

**vi) Security**

- The inventories are not insured.
- The warehouse has protection against fire.
- The warehouse is insured against fire.

**vii) Dead stock and slow moving inventory**

- The value of the minimum level of goods required for the business to function normally is not impaired even if they are slow moving and not past their expiry date.
- FIFO method is followed, so, slow moving goods do not pile up in the inventory.

**viii) Measurement**

- Inventories are measured using the FIFO (first-in first-out) method.
- This is used for all classes of inventory.

**ix) Exception**

The Establishment is not generating any revenue at present, so no inventory is held by the Establishment and this policy is mentioned because it is consistently being followed.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**6 Summary of significant accounting policies adopted and consistently applied – assets (Continued)**

**i) Other receivables**

(Note 14 on Pg 54)

**i) Composition**

- Trade receivables
  - Amounts due from the customer for goods sold or services performed in the ordinary course of business.
- Other receivables
  - All advances that are not in the nature of a trade receivable or a prepayment of expenses, which may be classified as a separate line item.
- Prepayments
  - Prepaid expenses represent the amounts that have already been incurred but not fully consumed and may be classified as a separate line item.

**ii) Stated / carried at**

- Trade receivables
  - Invoiced amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts at the end of the reporting period.
- Other receivables
  - Amount extended that can be realised, as explained at (vi) below, less an estimate for impairment based on best judgement.
- Prepayments
  - If significant, as a separate line item, below 'Other receivables' (Note 14) under 'Current assets' {Note 6 (i) (v)}.
  - In all other cases, clubbed with 'Other receivables' (Note 14) under 'Current assets' {Note 6 (i) (v)}.

**iii) Classification – Trade receivables**

- Current asset
  - If collection is expected in one year or less.
- Non-current asset
  - In all other cases.
- Doubtful debts
  - Realisable amount net of impairments.
- Bad debts
  - Written off when identified.

**iv) Classification – Other receivables**

- Current asset
  - If collection is expected in one year or less.
- Non-current asset
  - In all other cases.

**v) Classification – Prepayments**

Prepayments are a current asset, with rare exceptions, as the economic benefit will be realised within the next 12 months from the end of the reporting period.

**vi) Realisability**

- Realisable advances
  - Advances in the nature of soft loans are subsequently realised by the Establishment and represent an amount that will be available for the Establishment in the
- Prepaid future commitments
  - Advances in the nature of amounts paid for future supplies are not actually realised, but the suppliers fulfil their commitments and supply the goods or render the services as per contractual obligations.
- Future expenses
  - Advances like staff advances, that are likely to become an expense in the foreseeable future, are not realised, but are adjusted against the future payment obligation.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**6 Summary of significant accounting policies adopted and consistently applied – assets (Continued)**

**j) Other receivables (Continued)**

**(Risk analysis)**

**i) Credit risk – Impairment**

- Definition, recognition & presentation
  - Notes 10 (f) & 14 (a) and Table A on Page 45.
- Exposure – Credit policy
  - The customer is extended credit period of up to 30 days, normally.
  - Credit is extended on the basis of assessment of their creditworthiness.
  - Creditworthiness is judged by their conduct in the past, Management's trade experience, their reputation of financial standing, market information and the nature of the market in which they operate.
- Credit monitoring
  - The Management regularly monitors the outstanding amounts and follows up for recovery with periodic calls and occasional visits to the customer.
- Mitigation of credit risk
  - An ageing analysis of the trade receivables is carried out at the end of each reporting period to determine the impairment to their carrying values.
  - If the Management considers the trade receivable 'less' than fully recoverable, an appropriate provision for doubtful debt as required at the end of the reporting period is created.

**ii) Credit risk – concentration**

- Definition, recognition & presentation
  - Notes 10 (f) & 14 (e) and Table A on Page 45.
- Exposure
  - The risks of concentration of revenue with few customer and concentration of trade receivables with few customer are proportionate to each other and is the nature of the trade of the Establishment.
  - The Management does not expect a total loss of dues from any of the customer on the basis of their knowledge of the customer and their past dealings with them.
- Mitigation of credit risk
  - This risk cannot be mitigated.

**iii) Currency risk**

- Definition, recognition & presentation
  - Notes 10 (g) & 14 (f) and Table A on Page 45.
- Exposure
  - The customer is invoiced in AED. As such, the Establishment is not exposed to currency risk with respect to the trade receivables.
  - The exposure to fluctuation of currency risk is not expected to significantly affect the financial position of the Establishment or its performance for the year.
- Mitigation
  - No mitigation is required.

**iv) Interest rate risk**

- Definition, recognition & presentation
  - Note 10 (h) and Table A on Page 45.
- Exposure
  - Interest is not charged on overdue receivables from customer.
  - The Establishment loses notional interest on such overdue amounts.
- Mitigation
  - No mitigation of this risk is planned.

**v) Market prices risk**

- Definition, recognition & presentation
  - Notes 10 (i) & 14 (g) and Table A on Page 45.
- Exposure
  - The exposure to fluctuation of geo-political risk is not expected to significantly affect the financial position of the Establishment or its performance for the year.
- Mitigation
  - No mitigation is required.

**vi) Liquidity risk**

- Definition, recognition & presentation
  - Note 10 (j) and Table A on Page 45.
- Exposure
  - This risk is not relevant for other receivables.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**6 Summary of significant accounting policies adopted and consistently applied – assets (Continued)**

**k) Cash equivalent**

**(Note 15 on Pg 55)**

**i) Composition**

- Cash on hand,
- Balance in a current account with a bank,
- Bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit,
- Balances in portals with government bodies like licensing authorities,
- Balance in prepaid cards like eDirham, Salik and NOL, unless these are routed through the imprest or advance accounts of staff and
- Judicial and postal stamps on hand.

**ii) Credit risk**

- Definition, recognition & presentation
  - Notes 10 (f) & 15 (b) and Table A on Page 45.
- Exposure
  - Bank account is placed with a reputed bank.
  - Balances in portals and prepaid cards are fully realisable and are in the nature of sovereign debt.
  - Stamps are fully convertible to legal tender.
- Mitigation
  - The Establishment is not exposed to credit risk with respect to bank balance.
  - The other items are not exposed to any risk.

**iii) Currency risk**

- Definition, recognition & presentation
  - Notes 10 (g) & 15 (a) and Table A on Page 45.
- Exposure
  - Bank account is designated in UAE Dirhams.
  - Remittance in other currency is realised in \$.
  - The Establishment is not exposed fluctuation of currency risk with respect to bank balance.
- Mitigation
  - Not required

**iv) Interest rate risk**

- Definition, recognition & presentation
  - Note 10 (h) and Table A on Page 45.
- Exposure
  - This risk is not relevant for cash equivalent.

**v) Market prices risk**

- Definition, recognition & presentation
  - Note 10 (i) and Table A on Page 45.
- Exposure
  - Cash on hand is not insured.
  - The Establishment does not carry large amounts of cash and does not maintain the same in a designated safe.
  - Cash, cheque books and prepaid cards are held with Management in trust.
  - Online access to funds is closely held with the Management.

**vi) Liquidity risk**

- Definition, recognition & presentation
  - Note 10 (j) and Table A on Page 45.
- Exposure
  - Cash balance is maintained to satisfy a week's expense, however, higher balances are commonplace.
  - Bank balances are maintained to cover a month's expense and sufficient liquidity for at least a quarter.
  - Prepaid cards and accounts are topped up for forthcoming expenses only.
- Mitigation
  - As above.

**l) Statement of Cash Flows**

**(Page 8)**

- i) Prepared for presenting the segregation of cash flows based on the nature of items:
- cash flows from operating activities
  - cash flows from investing activities
  - cash flows from financing activities

**Reporting**

- ii) Reported using the indirect method.
- iii) Profit/(loss) is adjusted for the effects of:
- transactions of non-cash nature,
  - any deferrals or accruals of past or future cash receipts & payments and
  - for items of income & expenses which are reflected in investing or financial activities.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**7 Summary of significant accounting policies adopted and consistently applied – liabilities**

a) <b>Capital employed</b> (Notes 16 & 0)	c) <b>Retained earnings</b> (Page 7)
<p>i) <b>Composition</b></p> <ul style="list-style-type: none"> <li>- Share capital</li> <li>- Statutory reserve (not applicable)</li> <li>- Retained earnings</li> <li>- Shareholder's current account (NA)</li> </ul> <p>ii) <b>Management objectives</b></p> <ul style="list-style-type: none"> <li>- Ensure healthy capital ratios are maintained at acceptable levels.</li> <li>- Maintain adequate funds to safeguard the ability to continue operations on an on-going basis as a going concern.</li> <li>- Provide the Shareholder with a reasonable rate of return under the prevailing economic conditions and the risks encountered.</li> </ul> <p>iii) <b>Capital management</b></p> <p>In order to maintain or adjust the capital structure, the Establishment:</p> <ul style="list-style-type: none"> <li>- defers or adjusts dividend payments,</li> <li>- introduces additional capital or</li> <li>- borrows to bridge the deficit.</li> </ul> <p>iv) <b>Consistency</b></p> <p>There are no changes in this policy during the current year.</p>	<p>i) <b>Composition</b></p> <p>Undistributed profits generated by the Establishment, retained for the purpose of the Establishment, available for distribution or drawing without restrictions.</p> <p>ii) <b>Management objectives</b></p> <p>The Management prefers to distribute earnings as dividends and reintroduce the same as 'Loan from Shareholder' if the Establishment requires the funds.</p> <p>d) <b>Dividend</b></p> <p>i) <b>Composition</b></p> <p>Retained earnings distributed to Shareholder on the basis of a resolution to that effect.</p> <p>ii) <b>Distribution</b></p> <p>Dividend declared but not paid is routed through the account of the Shareholder during the period in which the dividend is approved by the Establishment's Shareholder.</p>
b) <b>Statutory reserve (not applicable)</b> (Page 7)	e) <b>Loan from the Shareholder</b>
<p>i) <b>Basis of calculation</b></p> <ul style="list-style-type: none"> <li>- Minimum appropriation of 5% of the profits of the Establishment till the reserve equals 50% of the paid-up share capital.</li> <li>- Additional voluntary contribution as decided by Management.</li> <li>- As required by Article 103 of the CCL {refer Note 2 (d) (i)}.</li> </ul> <p>ii) <b>Nature</b></p> <p>Not available for distribution.</p>	<p>i) <b>Composition</b></p> <ul style="list-style-type: none"> <li>- Amounts introduced by the Shareholder for funding the capital requirements of the business.</li> <li>- Retained earnings rerouted in business.</li> </ul> <p>ii) <b>Repayment</b></p> <ul style="list-style-type: none"> <li>- Subordinate to borrowings and</li> <li>- Repayable on demand.</li> </ul>
<p>iii) <b>Exception</b></p> <p>The Establishment is formed in a free zone, as a result of which, the provisions for maintaining a statutory reserve are not applicable to it.</p>	<p>iii) <b>Interest</b></p> <ul style="list-style-type: none"> <li>- Payable at a rate agreed by the Management.</li> <li>- The Shareholder has the right to waive its right to receive interest on loan.</li> </ul> <p>iv) <b>Exception</b></p> <p>The Shareholder has not extended any loan to the Establishment.</p>



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**7 Summary of significant accounting policies adopted and consistently applied – liabilities (Continued)**

**f) Borrowings**

**(No Note)**

**i) Composition**

- Amounts borrowed from banks, financial institutions, trade credit facilitators, asset funding organisations and such lenders.
- Includes borrowings from related parties, but not from Shareholder, if the terms of payment of interest and repayment are in the nature of institutional lending.

**ii) Classification**

- Non-current liability
- Where the Establishment has an unconditional right to defer settlement of the liability for at least 12 months subsequent to the end of the reporting period.
- Current liability
- In all other cases.

**iii) Stated at**

- Initially
- Recognised at fair value, net of transaction costs incurred.
- Subsequent to initial recognition
- Measured at amortised cost using the 'effective interest rate method' {explained at Note 3 (j) (vi)}.

**iv) Included in the following manner:**

- Initial financing costs
- Fees paid on the establishment of the borrowing facilities are recognised as transaction costs to the extent the facility will be drawn down.
- Subsequent financing costs
- Deferred fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates, until the draw down occurs and to the extent there is no evidence to the contrary.

**v) Renegotiation**

Where the terms of a financial liability are renegotiated, a gain or loss is recognised in the 'statement of profit or loss and other comprehensive income', which is measured as the difference between the carrying amount of the financial liability and the fair value of the financial liability agreed.

**vi) Repayment**

- Borrowings are removed from the 'statement of financial position' when the obligation specified in the contract is discharged, cancelled or expired.
- The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the 'statement of profit or loss and other comprehensive income' as other income or finance costs, as applicable.
- Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the 'effective interest rate method' {explained at Note 3 (j) (vi)}.

**vii) Credit risk – Security**

- Definition, recognition & presentation
- Note 10 (f) and Table A on Page 45.
- Exposure
- The Establishment has no borrowings.
- This risk does not exist.
- Mitigation
- This risk is irrelevant.

**viii) Risk analysis – Currency risk**

- Definition, recognition & presentation
- Note 10 (g) and Table A on Page 45.
- Exposure
- The Establishment has no borrowings.
- This risk does not exist.
- Mitigation
- Not required.

**ix) Risk analysis – Interest rate risk**

- Definition, recognition & presentation
- Note 10 (h) and Table A on Page 45.
- Exposure
- This risk does not exist.
- Mitigation
- This risk cannot be mitigated.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**7 Summary of significant accounting policies adopted and consistently applied – liabilities (Continued)**

- |   |  |
|---|--|
| <p><b>g) Staff end-of-service gratuity (No Note)</b></p> <p><b>i) Composition</b><br/>A form of payment in addition to regular wages or salary, given by an employer to an employee, either as a gesture of appreciation or as a reward for long and faithful service.</p> <p><b>ii) Stated at</b><br/>Amount payable to the staff at the end of the reporting period.</p> <p><b>iii) Basis of provision</b></p> <ul style="list-style-type: none"> <li>- In accordance with the local labour laws.</li> <li>- 30 days' of basic salary for each year or part thereof, proportionately.</li> <li>- No provision for gratuity is made on remuneration paid to the Manager.</li> </ul> <p><b>iv) Critical assumptions</b></p> <ul style="list-style-type: none"> <li>- That all employees were to leave at the reporting date,</li> <li>- That all employees will continue under employment till their benefits mature under the going concern assumption and</li> <li>- That the difference in liability calculated on an actuarial basis on account of offsetting effect of inflation and discount rates is insignificant.</li> </ul> <p><b>v) Exception</b><br/>The Establishment had no employees during the reporting period.</p> <p><b>vi) Management remuneration</b></p> <ul style="list-style-type: none"> <li>- Classified separately.</li> <li>- Measured at arms length.</li> <li>- Reported as a related party.</li> </ul> | <p><b>h) Leave salary provision</b></p> <p><b>i) Composition</b><br/>Compensation to a employees when they are away from their job due to vacation without any pay deductions.</p> <p><b>ii) Stated at</b><br/>Amount calculated at the end of the year.</p> <p><b>iii) Basis of provision</b><br/>In accordance with the local labour laws.</p> <p><b>iv) Basis of calculation</b></p> <ul style="list-style-type: none"> <li>- 2.5 days' of total salary, including allowances, for each month or part thereof worked.</li> <li>- Leave salary is not provided for the Manager of the Establishment.</li> </ul> <p><b>v) Exception</b><br/>The Establishment had no employees during the reporting period.</p> <p><b>i) Leave travel provision</b></p> <p><b>i) Composition</b><br/>Travel cost for employees to proceed on annual leave as above and return from the same to resume their duties.</p> <p><b>ii) Stated at</b></p> <ul style="list-style-type: none"> <li>- Treated as a period cost and writtin off in the year in which it is incurred.</li> <li>- It is provided in the books only when the amount becomes material.</li> </ul> <p><b>iii) Basis of provision</b></p> <ul style="list-style-type: none"> <li>- About AED 1,500 per person divided over the working period of the employee.</li> <li>- Since unavailed leave travel cannot be encashed, it is not provided every year.</li> <li>- The Manager is not entitled to leave travel compensation.</li> </ul> <p><b>iv) Exception</b><br/>The Establishment had no employees during the reporting period.</p> |
|---|--|



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**7 Summary of significant accounting policies adopted and consistently applied – liabilities (Continued)**

**j) Trade and other payables**

**(Note 17 on Pg 57)**

**i) Composition**

- Trade payables {See (ii) below}
- Provisions and accruals {See (iii) below}

**ii) Composition – Trade payables**

- Trade payables
- Liabilities for goods and services provided to the Establishment prior to the end of the reporting period.
- Amounts to be paid in future for goods sold and services rendered to the Establishment, whether or not billed to the Establishment.
- Payables to suppliers of capital assets
- Payables against capital assets are stated as a separate line item.
- Advance from suppliers
- Advances received, pending performance obligations or refunds, are stated as a separate line item.

**iii) Composition – Provisions and accruals**

Provisions based on a reliable estimate of the probable outflow of resources embodying economic benefits that will be required to settle a present legal or constructive obligation as a result of past events.

**iv) Incidence**

Recognised when a reliable estimate of the amount of the obligation can be made.

**v) Classification**

- Non-current liability
- If payment is not due within twelve months subsequent to the reporting date.
- Current liability
- In all other cases.

**vi) Stated at**

- Initially
- Recognised at fair value.
- Subsequently
- Measured at amortised cost using the 'effective interest rate method' {explained at Note 3 (j) (vi)}.

**vii) Settlement**

- The amounts are unsecured and
- These are usually paid within 30 to 60 days of recognition,
- Subject to exceptions.

**viii) Post sales, customer support and warranties**

The estimated claims to repair or replace products still under warranty at the end of the reporting period are recognised based on the historical knowledge of the level of repairs and replacements and debited to 'Warranty claims' account.

**k) Related party**

**(Note 19 on Pg 59)**

**i) Composition**

Entities that fall within the definition of a related party as contained in International Accounting Standard 24, with whom the Establishment enters into transactions.

**ii) Exclusions**

Persons defined as a related party in accordance with other laws and regulations are not disclosed as related parties.

**iii) Assumptions**

- Management considers such transactions to be in the normal course of business and essential for achieving its objectives.
- Expenses that would have been incurred by any other employee, if incurred by a related party, are not classified (and reported) separately.

**iv) Comprises of**

- Shareholder,
- Authorised Signatory,
- Ultimate beneficial owners,
- Entities owned & managed by a Shareholder or Authorised Signatory and
- Entities under common direct or beneficial ownership and managed control.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**7 Summary of significant accounting policies adopted and consistently applied – liabilities (Continued)**

**i) Trade and other payables – Risk analysis**

**(Note 17 on Pg 57)**

**i) Credit risk**

- Definition, recognition & presentation
  - There is no exposure to this risk.
- Exposure
  - These amounts are payable by the Establishment, as a result of which, it is not exposed to risk of default on account of trade
  - However, delays in serviceing trade debts are likely to increase the cost of borrowing to which the Establishment is exposed.
- Mitigation
  - Not required.

**ii) Currency risk**

- Definition, recognition & presentation
  - There is no exposure to this risk.
- Exposure
  - All trade creditors and taxes are payable in UAE Dirhams or US Dollars to which the UAE Dirham is pegged.
  - The Establishment is not exposed to any risk of fluctuation of currency on account of trade payables.
- Mitigation
  - Not required.

**iii) Interest rate risk**

- Definition, recognition & presentation
  - There is no exposure to this risk.
- Exposure
  - Default of payment obligations is likely to expose the Establishment to delayed payment penalties or interest on trade debts.
  - Management has paid its obligations on time and is also not contractually exposed to delayed payment penalties.
  - Early payment has no interest advantage.
  - The Establishment is not exposed to any risk of interest payments on account of trade and other payables.
- Mitigation
  - Not required.

**iv) Market prices risk**

- Definition, recognition & presentation
  - There is no exposure to this risk.
- Exposure
  - The UAE does not exercise restrictions on currency conversion to the countries with which the Establishment trades.
  - The presence of suppliers in different regions does not increase the monetary liability of the Establishment.
- Mitigation
  - Not required.

**v) Liquidity risk**

- Definition, recognition & presentation
  - There is no exposure to this risk.
- Exposure
  - The Management does not rely on credit from trade suppliers as a principal source of funding the working capital requirements of the Establishment.
  - As a result, the Establishment is not exposed to significant liquidity risk from its liability to trade creditors.
- Mitigation
  - Not required.

**m) Contingencies**

**(No Note)**

**i) Presentation**

Not recognised in the financial statements.

**ii) Disclosure**

- Contingent liabilities
  - Disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.
- Contingent assets
  - Not disclosed unless the income is virtually certain and its recognition is appropriate.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**8 Summary of significant accounting policies adopted and consistently applied – common**

**a) Non-derivative financial assets and liabilities**

(Note 10 on Pg 40)

The financial assets are divided into the following measurement categories:

**i) Non-derivative financial assets**

- Financial assets at amortised cost  
{See Note (b) below}
- FAFVOCI (financial assets at fair value through other comprehensive income)  
{See Note (c) below}
- FAFVOCI (financial assets at fair value through profit or loss)  
{See Note (d) below}
- Held-to maturity assets  
{See Note (e) below}

**ii) Non-derivative financial liabilities**

{See Note (f) below}

**b) Financial assets at amortised cost**

**i) Classification**

Financial assets that have fixed or determinable payments and for which there is no active market.

**ii) Composition**

- Current loans & advances,
- Non-current loans & advances,
- Other receivables,
- Advances to suppliers,
- Related party receivables,
- Bank balances  
(including fixed, margin and call deposits with banks and financial institutions),
- Cash and cash equivalents and
- Debit balance in Shareholder's current account and loan.

**iii) Stated at**

- Initial recognition:
  - at fair value plus any directly attributable transactions costs.
- Subsequent to initial recognition:
  - measured at amortised cost using the 'effective interest rate method' {explained at Note 3 (j) (vi)}.

**iv) Derecognition**

{See Note (g) (i) below}

**c) FAFVOCI (financial assets at fair value through other comprehensive income)**

**i) Composition**

Investments in equity shares or debt securities which are not classified as held-for-trading and revenue earned on the same.

**ii) Interest income**

Included in finance income using the 'effective interest rate method' {explained at Note 3 (j)}

**iii) Foreign exchange gains and losses**

Presented in other gains/(losses).

**iv) Impairment expenses**

Presented as separate line item in the statement of profit or loss.

**v) Derecognition**

{See Note (g) (i) below}

**d) FAFVOCI (financial assets at fair value through profit or loss)**

**i) Composition**

- Assets that do not meet the criteria for amortised cost or FVOCI and
- Are measured at fair value through the statement of profit or loss.

**ii) Gains / losses**

- Recognised in profit or loss.
- Presented net within other gains / (losses).
- Presented in the period in which it arises.

**iii) Derecognition**

{See Note (g) (i) below}

**e) Held-to maturity assets**

**i) Composition**

- Assets with fixed or determinable payments and fixed maturities and where
- the Establishment has the positive intention and ability to hold them to maturity.

**ii) Stated at**

- Initial recognition:
  - at fair value plus any directly attributable transactions costs.
- measured at amortised cost using the 'effective interest rate method' {explained at Note 3 (j) (vi)}.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**8 Summary of significant accounting policies adopted and consistently applied – common (Continued)**

**f) Non-derivative financial liabilities**

**i) Composition**

- Borrowings from banks and other lenders,
- Other payable,
- Advances from customer,
- Related party payables and
- Credit balance in Shareholder's current account and loan.

**ii) Derecognition**

{See Note (g) (ii) below}

**g) Derecognition of financial assets and liabilities**

**i) Derecognition of financial assets**

- When the contractual rights to cash flows from the assets cease and
- any interest in such derecognised financial asset that is created or retained by the Establishment is recognised as a separate

**ii) Derecognition of financial liabilities**

- When the contractual obligations are discharged or cancelled or expire.

**h) Offsetting of financial assets and liabilities**

**i) Incidence**

Financial assets and financial liabilities are offset when, and only when:

- The Establishment has a legal right to offset the amounts and
- The Establishment intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**ii) Stated at**

The net amount is presented in the statement of financial position.

**i) Derivative financial instruments and hedge accounting**

The Establishment does not use derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currently risks and interest rate risks, respectively.

**j) Foreign currency transactions and balances**

**i) Incidence**

The Establishment generates revenue and incurs costs predominantly in the US Dollar or the UAE Dirham, which is pegged to the US

**ii) Recognition**

- Transactions in other foreign currencies are translated into the US Dollar at the rate of exchange ruling on the dates of the transactions, or valuation where items are re-measured.
- Monetary assets and liabilities expressed in other foreign currencies are translated into the US Dollar at the rate of exchange ruling at the end of the reporting period.
- Non-monetary items that are measured at historical cost in another foreign currency are not translated – these are measured at a fair value in that foreign currency and translated into the reporting currency at the exchange rate when the fair value was determined.

**iii) Classification**

Gains or losses resulting from settlement of transactions in another foreign currency and from the translation at the year-end exchange rates of monetary assets and liabilities are recognised in the profit or loss on net basis as either foreign exchange gains or losses and included in other income or other expenses respectively.

**iv) Exception**

The exchange rate considered during accounting and that offered by the bank frequently differ, as a result of which, an unintended exchange loss is incurred or gain is earned – this is an incidental exposure to exchange risk.

**v) Consolidation**

The Establishment does not have foreign operations.

**vi) Refer Note 10 for risk management.**



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**9 Summary of significant accounting policies adopted and consistently applied – leases**

**a) Applicable to**

- Lease where Establishment is a lessor  
{See Note (c) below}
- Finance lease where Establishment is a lessor  
{See Note (d) below}
- The Establishment as an intermediate lessor  
{See Note (e) below}
- Operating lease where Establishment is a lessor  
{See Note (f) below}

**b) Changes during the reporting period**

- Changed as required by IFRS 16 – Leases – refer Note 3 (g) (ii).
- The new policy is described below.
- The impact of change described at Note 2 (u).

**c) Lease where Establishment is a lessor**

**i) Right-of-use assets with only lease rent and the lease is renewable yearly**

- Composition
  - Short-term (usually annual) operating leases,
  - for premises, vehicles and such other assets.
- Revenue recognition
  - Charged to the statement of profit or loss and other comprehensive income on a straight-line basis.
- Classification
  - 'Cost of revenue' where identifiable.
  - 'Administrative expenses' for all other cases.

**ii) All other right-of-use assets**

- Recognition
  - Recognised at the commencement date of the lease – the date the underlying asset is available for use.
- Stated at
  - Measured at cost\*, less accumulated depreciation~ and impairment^ and
  - Adjusted for remeasurement of lease liabilities.
- Classification
  - Recognised under 'property, plant and equipment' in the statement of financial position.

**iii) Lease liabilities**

- Recognition
  - Recognised at the commencement date of the lease.
- Stated at
  - Measured at the present value of lease payments# to be made over the lease term.
- Lease liabilities after commencement date
  - Increased to reflect the accretion of interest.
  - Reduced for the lease payments made.

**iv) Short-term leases – where the new leases note is not applicable**

- Recognition
  - Payments made under short-term operating lease towards office premises.
- Classification
  - Charged to the statement of profit or loss and other comprehensive income on a straight-line basis and included under 'Administrative expenses'.

**Definitions for (ii) and (iii)**

*\* Cost includes:*

- Amount of lease liabilities recognised,
- Initial direct costs incurred,
- Lease payments made at or before the commencement date and
- Deduction or adjustment for lease incentives received.

*~ Depreciation policy:*

- Depreciated if the Establishment is not reasonably certain to obtain ownership of the leased asset at the end of the leased term,
- On a straight-line basis over the shorter of its estimated useful life and the lease-term.

*^ Impairment constitutes:*

*Losses recognised as applicable to the asset.*

*# Present value of lease payments basis:*

*Calculated by using the incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease is not readily determinable.*



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**9 Summary of significant accounting policies adopted and consistently applied – leases (Continued)**

- d) **Finance lease where Establishment is a lessor**
- i) **Net investments in leases**
- Recognition
    - Leases in which the Establishment transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessees.
  - Stated at
    - Recognised at an amount equal to the present value of the minimum lease payments under the lease agreement,
    - Including guaranteed residual value and unamortised initial direct cost.
  - Classification
    - Included in the financial statements as 'Net investments in leases', where
    - The amount recognised as a receivable.
- ii) **Interest income on net investments in leases**
- Recognition
    - In accordance with the finance lease method in accounting for recognition of finance lease.
  - Stated at
    - The total unearned interest income\* is deferred and
    - This is amortised over the term of the lease, to produce a systematic return on net investments in lease.
  - Total unearned interest income is defined as:
    - The excess of aggregate installment contract receivable,
    - Plus residual value over the cost of the leased asset.
- e) **The Establishment as an intermediate lessor**
- i) Recognition
  - Where an underlying asset is released by the Establishment ('intermediate lessor') to a third party and
  - The lease ('head lease') between the head lessor and Group remains in effect.
- ii) Classification of the sublease as finance lease or operating lease:
  - As an operating lease when:
    - The head lease is a short-term lease that the entity, as a lessee, has accounted for by recognising the lease payments as an expense on a straight-line basis over the term of the lease.
  - Otherwise:
    - By reference to the right-of-use asset arising from the head lease, rather than by reference to the economic useful life of the underlying asset (such as the item of property and equipment that is the subject of the lease).
- f) **Operating lease where Establishment is a lessor**
- i) Exception
 

There is no impact on lease accounting arising from IFRS 16 on the lessor.
- ii) Classification
  - Rental income from operating leases where the Establishment is a lessor:
    - Recognised as an income on a straight-line basis over the lease term (applicable to investment properties).
  - Initial direct costs incurred in obtaining an operating lease:
    - Added to the carrying of the underlying asset and recognised as expense over the lease term on the same basis as the rent income.
- g) The risk analysis is not separately carried out.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**10 Risk management**

- a) The Establishment's activities expose to a variety of financial risks, such as:
- i) Credit risk
  - ii) Currency risk
  - iii) Interest rate risk
  - iv) Market prices risk
  - v) Liquidity risk
- b) Definition or composition  
The risks are defined at (f) to (j) below.
- c) Presentation & disclosure  
This risk policies, interpretation, exposure faced by the Establishment and its mitigation for respective classifications is in the informative notes from page 9 to 40.
- d) Measurement  
This exposure to these risks is presented under respective classifications in the analytical notes from page 41 to 44.
- e) Summary of the correlations  
Refer Table A on Page 45.
- f) **Credit risk**  
The risk of financial loss to the Establishment if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Establishment's customers and banks.
- g) **Currency risk**  
The risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.
- h) **Interest rate risk**  
The possibility that the value of an investment will decline as the result of an unexpected change in interest rates.
- i) **Market prices risk**
- The risks arising from changes in market prices, such as foreign exchange rates, interest rates and equity prices which would affect the Establishment's income or the value of its holdings of financial instruments.
  - The risk may also arise due to obsolescence of items of 'Property, plant and equipment' or usability of 'Intellectual Property'.
- j) **Liquidity risk**
- The risk where the Establishment may encounter difficulty in meeting its financial liabilities that are either settled in cash or exchanged with another financial asset.
  - The risk is also where the Establishment may not be able to maintain the level of revenue required to achieve desired profitability to continue to function as a going concern.
  - The risk may materialise in the event of inability of the Establishment to replace its 'Property, plant and equipment' for transitioning its business, if required.
- k) **Other risks**  
The other significant risks to which the business would be exposed. For example:
- Inventory loss by fire or flood waters.
  - Death of incapacitation of key management.
  - Obsolescence of equipment.
- At present, these are not mitigated and Management is working on strategies for that.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

Sr	Particulars	2025	2024 (15 months) (Note 22)	Note	2025	2024
		AED	AED	Nos	Net Δ	Net Δ
<b>11</b>	<b>Administrative expenses</b>					
	Trade license fees	130,675	165,688	(a)	21.1%↓	32.5%↑
	Professional fees	21,452	8,400	(a)	155%↑	39.1%↓
	Bank charges	158	260	(a)	39.4%↓	38.1%↓
		<u>152,285</u>	<u>174,348</u>		<u>12.7%↓</u>	<u>25.2%↑</u>

- a) These are treated as period costs and written off when incurred without carrying them over to the next reporting period.
- b) Expenses that are incurred for the Manager, that would be otherwise incurred by an employee of the Establishment, are not treated as related party expenses, unless specifically incurred for its benefit.
- c) The Manager has waived his right to receive salary.
- d) Refer Note 5 (d) for a summary of the accounting policy adopted and consistently applied.

**12 Property, plant and equipment**

- a) The property, plant and equipment are completely written off.
- b) Refer Note 6 (a) for a summary of the accounting policy adopted and consistently applied.

**13 Non-current financial asset**

- a) Composition  
The deposits maintained with the landlord and licensing authority are entirely written off as these are not expected to be withdrawn during the lifetime of the Establishment.
- b) Refer Note 6 (c) for a summary of the accounting policy adopted and consistently applied.

**14 Other receivables**

Prepaid expenses	93,788	99,413	(i)	5.7%↓	NA
Due from related parties	1,703,470	1,866,785	(h)	8.8%↓	6.7%↓
	<u>1,797,258</u>	<u>1,966,198</u>		<u>8.6%↓</u>	<u>1.8%↓</u>

- a) Credit risk – Impairment
- Definition of credit risk is at Note 10 (f).
  - The related parties have confirmed their dues and their ability to repay the outstanding amounts.
  - Disclosure of the policy, interpretation of the exposure & its mitigation: elaborated at Note 6 (j) (i)–(ii).
  - The correlation between the Notes is tracked at Table A on Page 45.
- b) Credit risk – realisability
- Definition of credit risk is at Note 10 (f).
  - The related parties are group entities and Afcons Infrastructure Limited, India, the Holding company of the Parent company, has assured the realisability of the amounts due from them.
  - Disclosure of the policy, interpretation of the exposure & its mitigation: elaborated at Note 6 (j) (i)–(ii).
  - The correlation between the Notes is tracked at Table A on Page 45.



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

Sr	Particulars	2025	2024	Note	2025	2024
		AED	(Note 22) AED	Nos	Net Δ	Net Δ
14	<b>Other receivables (Continued)</b>					
c)	Credit risk – subsequent realisation					
	The related party receivable remains outstanding as at the date of this report.					
d)	Credit risk – ECL (expected credit loss)					
	ECL is not calculated as these are related party dues.					
e)	Credit risk – concentration					
	i) Definition of concentration of credit risk is at Note 10 (f).					
	ii) The entire amount is due from one related party (previous period: two parties).					
	iii) Disclosure of the policy, interpretation of the exposure & its mitigation: elaborated at Note 6 (j) (i)–(ii).					
	iv) The corelation between the Notes is tracked at Table A on Page 45.					
f)	Currency risk					
	i) Definition of fluctuation of currency risk is at Note 10 (g).					
	ii) The amounts are receivable in US Dollar, which is pegged to the UAE Dirham.					
	iii) Disclosure of the policy, interpretation of the exposure & its mitigation are elaborated at Note 6 (j) (iii).					
	iv) The corelation between the Notes is tracked at Table A on Page 45.					
g)	Geo-political risk					
	i) Definition market risk is at Note 10 (i).					
	ii) The amounts are realisable from countries with stable governments.					
	iii) Disclosure of the policy, interpretation of the exposure & its mitigation are elaborated at Note 6 (j) (v).					
	iv) The corelation between the Notes is tracked at Table A on Page 45.					
h)	Related party					
	i) Trade receivables from a related party	1,703,470	1,866,785	19 (a) (i)	8.8%↓	6.7%↓
	ii) Subsequent realisation	-	163,315	(a) (c)	100.0%↓	21.0%↑
i)	Prepaid expenses represent the amounts that have already been incurred but not fully consumed.					
j)	Refer Notes 6 (i) & (j) for a summary of the accounting policy adopted and consistently applied.					
15	<b>Cash equivalent</b>					
	Balance in a current account with a bank	38,659	22,004	(a) – (c)	75.7%↑	86.1%↓
a)	Currency risk					
	i) Definition of fluctuation of currency risk with respect to cash equivalent is at Note 10 (g).					
	ii) Exposure to fluctuation of currency risk with respect to bank balance:					
	• Bank account is designated in:					
	- UAE Dirhams	7,092	40,393	(i)	82.4%↓	1.0%↑
	iii) Disclosure of the policy, interpretation of the exposure & its mitigation are elaborated at Note 6 (k) (iii).					
	iv) The corelation between the Notes is tracked at Table A on Page 45.					



**Notes to the Financial Statements**  
**Year ended 31 March 2025**

Sr	Particulars	2025	2024	Note	2025	2024
		AED	(Note 22) AED	Nos	Net Δ	Net Δ
<b>15 Cash equivalent (Continued)</b>						
b) Credit risk						
i) Definition of credit risk risk is at Note 10 (f).						
ii) Exposure to credit risk with respect to bank balance (exposure with):						
- Emirates NBD PJSC						
iii) Disclosure of the policy, interpretation of the exposure & its mitigation are elaborated at Note 6 (k) (ii).						
iv) The corelation between the Notes is tracked at Table A on Page 45.						
c) Exclusive transactions						
- This refers to transactions that do not pertain to the business of the Establishment.						
- No significant transactions that did not pertain to the business of the Establishment were routed through the bank account of the Establishment.						
d) Cash expenses are carried out through imprest accounts of the staff of related parties or Shareholder and the amounts are periodically reimbursed.						
e) The Establishment has not accepted cash in excess of AED 50,000 at any time during the reporting period from any party and has adhered to anti-money laundering provisions applicable.						
f) Refer Note 6 (k) for a summary of the accounting policy adopted and consistently applied.						
<b>16 Share capital</b>						
1,000 shares of AED 1,000 each		<u>1,000,000</u>	<u>1,000,000</u>	–	NA	NA
Refer Note 7 (a) for a summary of the accounting policy adopted and consistently applied.						
<b>17 Other payable</b>						
Accrued expenses		<u>8,400</u>	<u>8,400</u>		0.0%↓	33.3%↑
<b>18 Corporate tax</b>						
a) The Establishment has not generated profits, so it is not required to calculate a liability towards tax.						
b) Refer Note 5 (j) for a summary of the accounting policy adopted and consistently applied.						
<b>19 Related party</b>						
a) Significant balance with a related party at the end of the reporting period:						
i) <b>Company under common management control</b>						
Classified as due from related parties		<u>1,703,470</u>	<u>1,866,785</u>	14 (h)	8.8%↓	6.7%↓
ii) The balance due from a related party is considered as fully receivable.						
b) Refer Note 7 (k) for a summary of the accounting policy adopted and consistently applied.						
<b>22 Comparative figures</b>						
The previous period's financials of the Establishment are for a period of 15 months from 01 January 2023 to 31 March 2024, to align the year-end with the Parent Company, as stated at Note 3 (e). Accordingly, the comparative figures are not strictly comparable.						



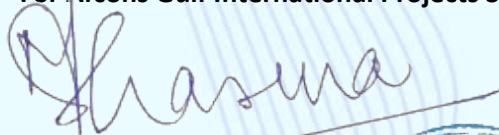
**Notes to the Financial Statements**  
**Year ended 31 March 2025**

**23 Approval of these financial statements**

These financial statements were approved by the Authorised Signatory on behalf of the Shareholder and authorised for issue on 22 May 2025.

These financial statements are circulated with a digitally inserted signature of the Authorised Signatory, who will make the originals available, if required by the reader.

**For Afcons Gulf International Projects Services FZE**



**Mudit Sharma**

Authorised Signatory

Thursday, 22 May 2025





# Afcons Gulf International Projects Services FZE

## Notes to the financial statements Year ended 31 March 2025

### A Risk management (Risk exposure listing) – (refer Note 10)

Risk classification Definition and recognition at	Credit risk Note 10 (f)		Currency risk Note 10 (g)		Interest rate risk Note 10 (h)		Market prices risk Note 10 (i)		Liquidity risk Note 10 (j)	
	Presented	Disclosed	Presented	Disclosed	Presented	Disclosed	Presented	Disclosed	Presented	Disclosed
Revenue	Unclassified	4 (d) (i)	Unclassified	4 (d) (ii)	Unclassified	4 (d) (iii)	Unclassified	4 (d) (iv)	Unclassified	4 (d) (v)
Other income	Unclassified	4 (i) (i)	Unclassified	4 (i) (ii)	Unclassified	4 (i) (iii)	Unclassified	4 (i) (iv)	Irrelevant	4 (i) (v)
Cost of revenue	Unclassified	5 (b) (i)	Unclassified	5 (b) (ii)	Unclassified	5 (b) (iii)	Unclassified	5 (b) (iv)	#REF!	5 (b) (v)
Property, plant and equipment	Excluded	6 (b) (i)	0	6 (b) (ii)	0	6 (b) (iii)	0	6 (b) (iv)	0	6 (b) (v)
Non-current financial asset	Unclassified	6 (d) (i)	Unclassified	6 (d) (ii)	Unclassified	6 (d) (iii)	Unclassified	6 (d) (iv)	Unclassified	6 (d) (v)
Other receivables	14 (a)	6 (j) (i)–(ii)	14 (f)	6 (j) (iii)	Unclassified	6 (j) (iii)	14 (g)	6 (j) (v)	Unclassified	6 (j) (vi)
Cash equivalent	15 (b)	6 (k) (ii)	15 (a)	6 (k) (iii)	Unclassified	6 (k) (iv)	Unclassified	6 (k) (v)	Unclassified	6 (k) (vi)
Borrowings	Unclassified	7 (f) (vii)	Unclassified	7 (f) (viii)	Unclassified	7 (f) (ix)	Irrelevant	Undefined	Unclassified	Undefined
Other payable	Unclassified	7 (l) (i)	Unclassified	7 (l) (ii)	Unclassified	7 (l) (iii)	Unclassified	7 (l) (iv)	Unclassified	7 (l) (v)
Borrowing costs	Unclassified	Undefined	Unclassified	Undefined	Unclassified	5 (h) (i)	Unclassified	Undefined	Unclassified	Undefined

### B Risk management (Maturity profile) – (refer Note 10)

The details of maturity dates of the Establishment's financial liabilities are not presented as they do not significantly affect its financial position at the end of the reporting period or its performance for the period.





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