Xpro Dielectric Films FZ-LLC

Annual Report

2024 – 2025

Positioned for Profitable Growth

xpro dielectric

BOARD OF DIRECTORS

Vinay Kumar Agarwal
Himangshu Bakshi
Chandrasekharan Bhaskar
Suhana Murshed
Lavish Wadhwani

General Manager

Dipna Vipul Chitroda

PLH 01-07, Al Ghail Industrial Zone - FZ,
Ras Al Khaimah,
United Arab Emirates

website: www.xproindia.com

License Number

8001101

Registration Number

0000004051700

Auditors

M/s. UHY James, Chartered Accountants LLC
Dubai, United Arab Emirates

Report of the Directors
To the Shareholders

The Directors have pleasure in presenting their annual report along with the audited financial statements of Xpro Dielectric Films FZ-LLC, PLH01-07, Al Ghail Industrial Zone-FZ, Ras Al Khaimah- United Arab Emirates ("the Company") for the period ended March 31, 2025.

Principal activities

The Company was incorporated on May 21, 2024 as a Limited Liability Company in the Al Ghail Free Zone in the Emirate of Ras Al Khaimah (RAK), United Arab Emirates. It is licensed to engage in the activity of Plastic Sheets Manufacturing (Activity Code 2220006), which includes manufacturing plastic sheets for various industries and applications using techniques of extrusion, moulding, casting, depending on material type and size. The Company intends specifically to engage in the manufacture and development of polymer-based Dielectric Films, principally for use in the manufacture of capacitors, and for supplying these products globally.

Financial Results (for the period May 21, 2024 (Inception) to March 31, 2025)

The Company is yet to commence commercial operations.

(amounts in AED)	**2024-25**
Operating Revenues	-
(Loss) before Interest, Depreciation & Tax	**(1,631,591)**
▪ Interest & other finance costs	**(667,529)**
(Loss) before Depreciation and Tax	**(2,299,120)**
▪ Depreciation	**(218,125)**
(Loss) for the period	**(2,517,245)**
▪ Other Comprehensive Income	-
Total Comprehensive (loss) for the period	**(2,517,245)**

Share Capital & Resources

During the period, the Company issued and allotted a total of 75,000 ordinary shares of AED 1,000 each to Xpro India Limited, Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Dist. Bankura, West Bengal, India. Accordingly, the Equity Capital is now AED 75,000,000. The Company is a wholly owned subsidiary of Xpro India Limited.

Review of Key Business Matters

Ras Al Khaimah Economic Zone (Government of Ras Al Khaimah) has allotted the Company industrial land to the extent of 36,280 sq. mtrs. identified as PLH 01-07 within the Al Ghail Industrial Zone-FZ, for an period of 50 years. Capital resources required for the project have been tied up. External Commercial Borrowing ("ECB") from AKA Bank, Germany in the nature of term loan to fund the main machine line has been arranged and is operational; this facility is secured by Euler Hermes and further backed by Corporate guarantee issued by Holding Company.

Construction work on the site commenced in November 2024 and is in progress. Core equipment required for the manufacturing activities sourced from M/s Brückner Maschinenbau GmbH are already at site. The accounts reflect capital work-in-progress, advances and part utilization of foreign supplier credits for capital expenditure.

During the period, in compliance with applicable accounting standards the Company was required to record a total loss of AED 2.52 million - in the largest part due to accounting for foreign exchange rate movements amounting to AED 1.74 million on the suppliers' credit - besides accounting for lease and incorporation and other expenses.

Xpro Dielectric Films FZ - LLC

The management of the Company is vested with the General Manager, appointed for the purpose, subject to the RAK Economic Zone Authority Companies Regulations of 2023, and its amendments from time to time. Ms Dipna Vipul Chitroda has been appointed as the General Manager with effect from May 21, 2024.

The Company also has a Board of Directors to oversee and direct its development and management. All matters relating to the election, term, duties and responsibilities of Directors shall be as per the RAK Economic Zone Authority Companies Regulations of 2023, and its amendments from time to time.

The applicable requirements, requires the management to prepare the financial statements for each financial period which presents fairly in all material respects, the financial position of the Entity and its financial performance for the period then ended.

Events after the reporting period

In the opinion of the Management, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial period and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Entity.

Auditors' Observations

The observations of Auditors are routine, and in the nature of general disclosures.

Auditors

M/s. UHY James Chartered Accountants LLC, Dubai, United Arab Emirates were appointed as Statutory Auditors for the period ended March 31, 2025. The Auditors have confirmed their willingness to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

Statement of Management and Directors' responsibilities

The Company has been incorporated in the current period in the Free (trade) Zone, in the Emirate of Ras al Khaimah- UAE (“RAK”) as a wholly owned subsidiary of Xpro India Limited, a listed entity in India.,

The General Manager confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time and also confirms that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the period under review and reasonably present the Company’s financial conditions and results of its operations.

These financial statements were approved by the Board of Directors and signed on behalf by the authorised representatives of the Company.

Acknowledgements

The Directors place on record sincere appreciation of (a) the valuable cooperation and support received at all times by the Company from its Bankers (b) all concerned Government and other authorities; and (c) the trust and faith of our promoter shareholder, Xpro India Limited, and stakeholders. We record the extremely valuable cooperation and support of the teams of RAKEZ (Ras Al Khaimah Economic Zone) and other authorities. We record our appreciation of the sincere and dedicated services of all contractors and team members, and their working towards positivity and the growth of your Company.

For and on behalf of the Board

Chandrasekharan Bhaskar
Director

May 20, 2025

Independent Auditor's Report

To,
The Shareholder
Xpro Dielectric Fims FZ-LLC
Ras Al Khaimah Economic Zone
Ras Al Khaimah – United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **M/s. Xpro Dielectric Films FZ-LLC** (the "Entity") which comprise the statement of financial position as at March 31, 2025 and the statements of profit or loss and other comprehensive income, changes in equity, cash flows for the period from May 21, 2024 (Inception) to March 31, 2025 and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025 and its financial performance and its cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). and their preparation in compliance with the applicable provisions of the Ras Al Khaimah Economic Zone Companies Regulations 2017 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 decision of users taken on the basis of these financial statements.

Independent Auditor's Report to the Shareholder of Xpro Dielectric Films FZ-LLC (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Further, as required by the Ras Al Khaimah Economic Zone Companies Regulations 2017 , we confirm that:

1. We have obtained all the information and explanations which we consider necessary for our audit.
2. The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Ras Al Khaimah Economic Zone Companies Regulations 2017 and the Memorandum of Association of the Entity.
3. Proper books of accounts have been maintained by the Entity.
4. Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Entity has contravened, during the financial period ended March 31, 2025, any of the applicable provisions of the Ras Al Khaimah Economic Zone Companies Regulations 2017 or the Memorandum of Association of the Entity, which would materially affect its activities or its financial position as at March 31, 2025.

For UHY James Chartered Accountants LLC

James Mathew FCA, CPA
Managing Partner
Reg. No. 548
May 20, 2025
Dubai - United Arab Emirates

Statement of Financial Position as at March 31, 2025
(In Arab Emirates Dirham)

	Notes	**March 31, 2025**
Assets		
Non-current assets		
Capital work-in-progress	6	**64,621,079**
Right-of-use assets	7	**12,419,298**
Other non-current assets	8	**13,102,524**
Total non-current assets		**90,142,901**
Current assets		
Other bank deposits	9	**46,088,406**
Prepayments, deposits and other receivables	10	**3,227,314**
Bank balances	11	**8,909,494**
Total current assets		**58,225,214**
Total assets		**148,368,115**
Equity and liabilities		
Equity		
Share capital	12	**75,000,000**
Accumulated (loss)	13	**(2,517,245)**
Shareholder's current account	14	**6,367,155**
Total equity		**78,849,910**
Liabilities		
Non-current liabilities		
Lease liabilities	15	**13,003,576**
Borrowings	16	**47,799,350**
Total non-current liabilities		**60,802,926**
Current liabilities		
Borrowings	16	**5,001,390**
Accounts and other payables	17	**3,713,889**
Total current liabilities		**8,715,279**
Total liabilities		**69,518,205**
Total equity and liabilities		**148,368,115**

The accompanying notes on pages 10 to 24 form an integral part of these financial statements.
The report of the auditor is set out on pages 4 to 5.
The financial statements on pages 6 to 24 were approved on May 20, 2025 and signed on behalf of the Entity, by:

Dipna Vipul Chitroda	Vinay Kumar Agarwal	Chandrasekharan Bhaskar
General Manager	Director	Director

May 20, 2025

Statement of Profit or Loss and Other Comprehensive Income for the period from May 21, 2024 (Inception) to March 31, 2025
(In Arab Emirates Dirham)

	Notes	**May 21, 2024 (Inception) to March 31, 2025**
Other income	18	**398,730**
Total income		**398,730**
Finance costs	19	**(667,529)**
Depreciation expense	20	**(218,125)**
Other expenses	21	**(2,030,321)**
(Loss) for the period		**(2,517,245)**
Other comprehensive income		-
Total comprehensive (loss) for the period		**(2,517,245)**

The accompanying notes on pages 10 to 24 form an integral part of these financial statements.
The report of the auditor is set out on pages 4 to 5.

Statement of Changes in Equity for the period from May 21, 2024 (Inception) to March 31, 2025
(In Arab Emirates Dirham)

	Share capital	Accumulated (loss)	Shareholder's current account	Total equity
Share capital introduced	**75,000,000**	-	-	**75,000,000**
(Loss) for the period	-	**(2,517,245)**	-	**(2,517,245)**
Net movements during the period	-	-	**6,367,155**	**6,367,155**
Balance as at March 31, 2025	**75,000,000**	**(2,517,245)**	**6,367,155**	**78,849,910**

The accompanying notes on pages 10 to 24 form an integral part of these financial statements.
The report of the auditor is set out on pages 4 to 5.

Xpro Dielectric Films FZ - LLC

Statement of Cash Flows for the period from May 21, 2024 (inception) to March 31, 2025
(In Arab Emirates Dirham)

	May 21, 2024 (Inception) to March 31, 2025
Cash flows from operating activities	
(Loss) for the period	(2,517,245)
Adjustments for :	
Finance cost	667,529
Interest income	(398,730)
Depreciation of right-of-use assets	218,125
Unrealised loss from exchange differences	1,737,935
Amortization of guarantee	80,801
Operating (loss) before changes in operating assets and liabilities	(211,585)
(Increase) in current assets	-
Prepayments, deposits and other receivables	(1,929,366)
Increase in current liabilities	-
Accounts and other payables	3,713,889
Cash from operations	1,572,938
Net cash from operating activities	1,572,938
Cash flow from investing activities	
Addition in capital work-in-progress	(64,621,079)
Investment in other bank deposits	(46,088,406)
Interest income received	1,26,982
Investment in capital advances	(7,842,370)
Net cash (used in) investing activities	(118,424,873)
Cash flows from financing activities	
Share capital introduced	75,000,000
Proceeds of bank borrowings	46,033,529
Finance costs paid	(1,390)
Repayment of lease liabilities	(272,100)
Net cash from financing activities	120,760,039
Net increase in cash and cash equivalents	3,908,104
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	3,908,104
Cash and cash equivalents	
Cash at banks (note 11)	8,909,494
Bank overdrafts (note 16)	(5,001,390)
	39,08,104

The accompanying notes on pages 10 to 24 form an integral part of these financial statements.
The report of auditor is set out on pages 4 to 5.

Notes to the Financial Statements for the period from May 21, 2024 (Inception) to March 31, 2025

1. Legal status and business activities

1.1 Xpro Dielectric Films FZ-LLC, Ras Al Khaimah Economic Zone, Ras Al Khaimah - United Arab Emirates (the "Entity") was incorporated on May 21, 2024 as a Free Zone Limited Liability Company and operates in the United Arab Emirates under Industrial license no. 8001101 issued by the Ras Al Khaimah Economic Zone Authority, Government of Ras Al Khaimah, Ras Al Khaimah - United Arab Emirates.

1.2 The Entity is licensed to engage in manufacturing of plastic sheets.

1.3 The registered address of the Entity is PLH01, Al Ghail Industrial Zone-FZ, Ras Al Khaimah - United Arab Emirates.

1.4 The management and control of the Company is vested with the General Manager, Ms Dipna Vipul Chitroda, appointed for the purpose.

1.5 These financial statements incorporate the operating results of the Entity from May 21, 2024 (inception) to March 31, 2025.

2. New standards and amendments

2.1 New standards and amendments issued but not effective for the current annual period

The following standards and interpretations had been issued but not yet mandatory for annual reporting periods ending March 31, 2025.

- Amendments to IAS 21 - Lack of Exchangeability
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

3. Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and applicable U.A.E. laws. These financial statements are presented in Arab Emirates Dirham (AED) which is the Entity's functional and presentation currency.

4. Basis of preparation

The financial statements have been prepared on the historical cost basis, as explained in the accounting policies as follows.

Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

The principal accounting policies applied in these financial statements are set out as follows.

5. Material accounting policies

5.1 Current/non-current classification

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

An asset is current when it is expected to be realised or intended be to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

The Entity classifies all other liabilities as non-current.

5.2 Foreign currency

The transactions in currencies other than the Entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. The non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit or loss and other comprehensive income in the period in which they arise.

5.3 Capital work in progress

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Entity's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

5.4 Leases

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

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Entity.
- the Entity has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Entity has the right to direct the use of the identified asset throughout the period of use. The Entity assesses whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

5.4.1 Entity as lessee

The Entity applies a single recognition and measurement approach for all leases whereby right-of-use assets and lease liabilities are recognized except for the short-term leases and leases of low-value assets.

<u>Right-of-use assets</u>

The Entity recognizes right-of-use assets at the lease commencement date i.e. the date on which the assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of assets comprise the amount of initial lease liabilities recognised adjusted with any prepayments or accruals, initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and lease payments made at or before the commencement date less any lease incentives received. In addition, the Entity also assesses the right-of-use asset for impairment when such indicators exist. Depreciation on leased plots is spread over 50 years.

Lease liabilities

At the commencement date, the Entity measures lease liabilities at present value of the lease payments that are not paid at that date. The lease payments include fixed payments less any lease incentives receivable, variable lease payments, amount expected to be paid as guaranteed residual value, the exercise price of a purchase option if the Entity is reasonably certain to exercise that option and payments of penalties for terminating the lease. The Entity uses its incremental borrowing rate if interest rate implicit in the lease is not readily determinable, to measure the present value of lease payments.

Subsequent to initial measurement, the Entity remeasures lease by increasing the carrying amount to reflect interest on the lease liabilities and reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount is remeasured if there are modification in lease contracts or if there are changes in in- substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

The Entity elects not to recognize right-of-use assets and lease liability for short term lease contracts (i.e. lease period less than or equal to 12 months from the date of commencement) and for low value assets. The Entity recognises payments associated with these leases as an expense on a straight-line basis over the lease term.

5.4.2 Entity as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Entity's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Entity's net investment outstanding in respect of the leases.

Charter hire rental from operating leases is recognised on a straight-line basis over the term of the relevant lease when all the risks and rewards incidental to the ownership of the underlying asset are not transferred to the lessee. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

5.5 Impairment of tangible assets

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount. The reversal of impairment loss is limited so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

5.6 Financial instruments

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instrument.

Financial assets

Classification

The Entity classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI "FVTOCI", or through profit or loss "FVTPL"), and

- those to be measured at amortised cost.

The classification depends on the Entity's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the statement of profit or loss and other comprehensive income.

Financial assets comprise of cash and cash equivalents, bank deposits, deferred guarantee asset, other deposits and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise current account and overdraft with banks.

Deferred guarantee asset

The entity recognizes a deferred guarantee asset at fair value on initial recognition when a financial guarantee is provided by the parent company. The fair value of the guarantee is recorded as a deferred guarantee asset and will be amortized over the period of the loan, which is 10 years. The amount is also treated as an equity contribution from the parent, with a corresponding increase in equity under the shareholder current account.

Other receivables

Other receivables balances that are held to collect are subsequently measured at the lower of amortized cost or the present value of estimated future cash flows. The present value of estimated future cash flows is determined through the use of value adjustments for uncollectable amounts. The Entity assesses on a forward-looking basis the expected credit losses associated with its other receivables and adjusts the value to the expected collectible amounts.

Other receivables are written off when they are deemed uncollectible because of bankruptcy or other forms of receivership of the debtors. The assessment of expected credit losses on accounts receivable takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region and other forward-looking information.

Bank and other deposits

Bank and other deposits are stated at amortised cost.

Impairment of financial assets

For other receivables, the Entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

The Entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Entity's financial liabilities include accounts and other payables and loan and other borrowings.

Accounts and other payables

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Loan and other borrowings

Loans and other borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted on accrual basis and are added to the carrying value of the instruments to the extent that they are not settled in the period in which they arise.

Derecognition of financial liabilities

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

5.7 Offsetting financial instruments

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

5.8 Provisions

Provisions are recognised when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

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

5.9 Taxation

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). Deferred taxes are recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amount used for taxation purposes (tax base of the asset or liability). The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted by the reporting date.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of the dividends are recognised at the same time when the liability to pay the related dividend is recognised.

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

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

Tax expenses

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

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

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

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

5.10 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Entity expects to be entitled in exchange for those goods or services. The Entity recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify 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.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Entity allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Entity satisfies a performance obligation.

Sale of goods

Revenue from the sale of goods in normal course of business is recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised goods to the customer.

The consideration expected by the Entity may include fixed or variable amounts which can be impacted by sales returns, trade discounts and volume rebates. Revenue for the sale of goods is recognized when control of the asset is transferred to the buyer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods are accounted for separately based on their stand-alone selling prices. Revenue is recorded net of Value Added Tax (VAT). A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For products for which a right of return exists during a defined period, revenue recognition is determined based on the historical pattern of actual returns, or in cases where such information is not available, revenue recognition is postponed until the return period has lapsed.

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

5.11 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described follows.

Critical judgements in applying accounting policies

In the process of applying the Entity's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognised in the financial statements.

<u>Determining the timing of satisfaction of performance obligations - revenue recognition</u>

In making their judgement, the Entity considers the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Entity has transferred control of the goods to the customer. The management is satisfied that control has been transferred and that recognition of revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision as applicable.

<u>Lease term - the Entity as lessee</u>

The Entity determines lease term as the non-cancellable period of a lease together with any periods covered with an option to extend or terminate. The management applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease contract. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Entity reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate it.

Key sources of estimation uncertainty

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

<u>Impairment of financial assets</u>

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

<u>Incremental borrowing rate for leases</u>

The Entity uses incremental borrowing rate to measure lease liabilities if interest rate implicit in the lease is not readily determinable. Incremental borrowing rate represents the rate of interest that Entity would have to pay on funds necessary to obtain a similar asset, on similar term, with a similar security in a similar economic environment. The management estimates incremental borrowing rate using observable inputs and Entity specific estimates.

<u>Income and deferred taxation</u>

The Entity incurs significant amounts of income tax payable, and also recognises significant changes to deferred tax assets and deferred tax liabilities, all of which are based on management's interpretations of applicable laws and regulations. The quality of these estimates are highly dependent upon management's ability to properly apply at times a very complex set of rules, to recognise changes in applicable rules and, in the case of deferred tax assets, management's ability to project future earnings from activities that may apply loss carry forward positions against future income taxes.

6. Capital work-in-progress

	March 31, 2025
Additions during the period	64,621,079
Carrying value as at March 31, 2025	64,621,079

The capital work-in-progress (CWIP) includes costs incurred towards the construction of the plant, staff accommodation, and machineries that will be installed upon completion of the plant. All capital work-in-progress (CWIP) projects are currently active and progressing as per schedule, with the entire capital work-in-progress (CWIP) balance aged less than one year and expected to be completed within one year as at 31 March 2025.

7. Right-of-use assets

	Plot cost
Additions made during the period	12,637,423
As at March 31, 2025	12,637,423
Accumulated depreciation	
Charge for the period (note 15 and 20)	218,125
As at March 31, 2025	218,125
Carrying value as at March 31, 2025	12,419,298

The right-of-use assets represent leased plots situated at RAKEZ Business Zone, Ras Al Khaimah - United Arab Emirates on a lease contract ending on May 20, 2074. The right-of-use assets is amortised over the lease term.

8. Other non-current assets

	March 31, 2025
Capital advances*	7,842,370
Deferred guarantee asset**	5,260,154
	13,102,524

*The above amount represents a capital advance provided in relation to capital work-in-progress.
**The above amount represents the present value of the guarantee provided by the shareholder in respect of long-term bank borrowings.

9. Other bank deposits

	March 31, 2025
Fixed deposits	46,088,406
	46,088,406

Fixed deposits amounting to AED 40,000,000 are under lien against a letter of credit issued for the import of machinery, which has been classified under capital work-in-progress (note 6).

Fixed deposit account	Maturity date	Interest rate per annum	March 31, 2025
Fixed deposit 1	May 19, 2025	3.5%	5,000,000
Fixed deposit 2	June 27, 2025	3.25%	5,088,406
Fixed deposit 3	August 17, 2025	3.6%	5,000,000
Fixed deposit 4	September 05, 2025	4.6%	1,000,000
Fixed deposit 5	November 15, 2025	3.7%	5,000,000
Fixed deposit 6	January 24, 2026	4.25%	20,000,000
Fixed deposit 7	February 18, 2026	4.1%	5,000,000
			46,088,406

10. Prepayments, deposits and other receivables

	March 31, 2025
Prepayments	27,428
Deposits	1,422,934
Accrued interest receivable	271,748
VAT receivable - net	455,479
Deferred guarantee asset	1,026,200
Other receivables	23,525
	3,227,314

11. Bank balances

	March 31, 2025
Cash at banks	8,909,494

Management has concluded that the Expected Credit Loss (ECL) for all bank balances is immaterial as these balances are held with banks whose credit risk rating by international rating agencies has been assessed as low.

12. Share Capital

The authorised, issued and paid up capital of the Entity is AED 75,000,000 divided into 75,000 shares of AED 1,000 each fully paid.

The details of the shareholding as at reporting date are as follows:

Name of the shareholder	Domicile	Percentage	No. of shares	March 31, 2025
M/s. Xpro India Limited *(Represented by Mr. Chandrasekharan Bhaskar)*	India	100	75,000	75,000,000

13. Accumulated (loss)

	March 31, 2025
(Loss) for the period	(2,517,245)
Balance at the end of the period	(2,517,245)

14. Shareholder's current account

	March 31, 2025
Net movements during the period	6,367,155
Balance at the end of the period	6,367,155

15. Lease liabilities

	March 31, 2025
Additions during the period	12,637,423
Add: Interest charged during the period (note 19)	638,253
Less: Paid during the period	(272,100)
Balance at the end of the period	13,003,576
Comprising:	
Current portion	-
Non-current portion	13,003,576
	13,003,576

The above represents present value of lease payments of leased plots, discounted at the rate of 6% p.a. and are repayable by May 20, 2074.

Maturity profile of lease payments:

March 31, 2025	Within 1 year	1 to 5 years	Above 5 years	Total
Lease payments - undiscounted	204,075	2,612,160	51,273,757	54,089,992
Less: Finance charges	(769,681)	(4,162,701)	(36,154,034)	(41,086,416)
Net present value	(565,606)	(1,550,541)	15,119,723	13,003,576

During the period, the current lease liabilities reflected a credit balance due to future lease payments which are back loaded in compared to lease payments for upcoming 12 months. The excess amount of AED 565,606 has been reclassified under non-current lease liabilities for presentation.

	May 21, 2024 (Inception) to March 31, 2025
Amounts recognised in statement of profit or loss and other comprehensive income:	
Interest on lease liabilities (note 19)	638,253
Depreciation expense (note 7 and 20)	218,125
Net impact for the year	856,378
Amounts recognised in statement of cash flows:	
Total cash outflows for leases	(272,100)

16. Borrowings

	March 31, 2025
a) Due to banks	
Bank overdrafts	5,001,390
b) Long term loan	
Addition during the period	47,799,350
Balance at the end of the period	47,799,350
Bank borrowings – short term liabilities	
Due to banks (refer a)	5,001,390
Bank borrowings – long term liabilities	
Long term loan (refer b)	47,799,350
Total bank borrowings (a + b)	52,800,740

Long term loan, in the nature of term loan, outstanding € 12,870,965.36 (excluding transaction cost of € 864,342.89), equivalent to AED 51,079,121 (excluding transaction cost AED 3,279,771), carries annual interest at EURIBOR+1.21% and is repayable in 20 semi-annual instalments, commencing from May 2026, with interest, commencing from March 2025 as and when due.

Bank borrowings have following covenants and securities:

a) The borrower has assigned the proceeds of the project contract to the lender as a primary source of repayment.

b) The financed machinery (from Bruckner and Kampf) is pledged as collateral until full repayment (note 6).

c) A corporate guarantee from the parent or affiliated entity may be required depending on the loan disbursement structure.
d) A first-ranking charge over project assets, particularly CWIP (machinery), financed through the loan.
e) Maintenance of adequate insurance on the machinery, with the lender named as the beneficiary.

17. Accounts and other payables	**March 31, 2025**
Accounts payable	**3,024,525**
Interest accrued on long term loan	**164,023**
Retention money payable	**483,981**
Other payables	**41,360**
	3,713,889

18. Other income	**May 21, 2024 (Inception) to March 31, 2025**
Interest income on fixed deposit	**398,730**
	398,730

19. Finance costs	**May 21, 2024 (Inception) to March 31, 2025**
Interest on short-term borrowings	**1,390**
Interest on long term borrowings	**27,886**
Interest on lease liabilities (note 15)	**638,253**
	667,529

20. Depreciation expense	**May 21, 2024 (Inception) to March 31, 2025**
Depreciation of right-of-use assets (note 7 and 15)	**218,125**
	218,125

21. Other expenses	**May 21, 2024 (Inception) to March 31, 2025**
Foreign exchange loss	**1,737,935**
Legal and professional charges	**100,333**
Amortization of guarantee	**80,801**
Pre-incorporation expenses	**79,311**
Travel and conveyance	**10,169**
Bank charges	**4,189**
Telephone and communications	**842**
Miscellaneous expenses	**16,741**
	2,030,321

22. The Entity is eligible to claim a 0% tax benefit available to qualifying free zone entities, as it meets all conditions outlined in Article 18 of Federal Decree Law No. 47 of 2022 on the taxation of corporations and businesses, in conjunction with Cabinet Decision No. 100 of 2023 and Ministerial Decision No. 265 of 2023.

23. Financial instruments

a) Material accounting policies

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 5 to the financial statements.

b) *Financial assets and financial liabilities*

Below are the principal financial instruments used by the Entity and their categories, from which financial instrument risk arises:

	Amortised cost
Financial assets	**March 31, 2025**
Deferred guarantee asset	**6,286,354**
Other bank deposits	**46,088,406**
Deposits and other receivables	**1,694,682**
Bank balances	**8,909,494**
	62,978,936

	March 31, 2025
Financial liabilities	
Lease liabilities	**13,003,576**
Borrowings	**52,800,740**
Accounts and other payables	**3,713,889**
	69,518,205

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

Financial instruments not measured at fair value includes bank balances, deferred guarantee asset, deposits and other receivables, other bank deposits, accounts and other payables, borrowings and lease liabilities.

As at the reporting date, financial assets and financial liabilities approximate their carrying values, due to their short term nature.

24. Financial risk management objectives

The Entity management set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Entity's policy guidelines are complied with.
There has been no change to the Entity's exposure to these financial risks or the manner in which it manages and measures the risk.

The Entity minimizes its risk by diversifying its investments in different markets and sectors. The Entity's exposure in investments is monitored by management information systems and the analysis by the in-house team regarding the risk and reward perspective on each investment.

a) Foreign currency risk management

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

The carrying amounts of the Entity's monetary assets and liabilities denominated in foreign currencies other than in Arab Emirates Dirham or currencies to which the Dirham is fixed are as follows:

		Amounts in foreign currency	Amounts in local currency
		March 31, 2025	
Liabilities	Euro	**12,006,622**	**47,799,350**

Foreign currency sensitivity analysis:

The following table details the Entity's sensitivity to a 10% increase or decrease in the functional currency against the relevant foreign currencies. 10% is the sensitivity rate used for reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive or negative number below indicates an increase or decrease in profit or loss where the functional currency weakens 10% against the relevant currency. For a 10% strengthening of the functional currency against the relevant currency, there would be an equal and opposite impact on the profit or loss and the balances below would be negative.

	Profit or loss (in AED)
Euro	(1,200,662)

b) Interest rate risk management

The Entity's exposure to the risk of changes in market interest rates relates primarily to the Entity's borrowings with floating interest rates. The Entity's policy is to manage its interest cost using a mix of fixed and variable rate debts. Interest on financial instruments having floating rates is re-priced at intervals of less than one year and interest on financial instruments having fixed rate is fixed until the maturity of the instrument.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used for reporting interest rate risk internally to key management and represents management's assessment of the reasonable possible change in interest rates.

If interest rates had been 50 basis points higher/(lower) and all other variables were held constant, the Entity's profit for the year then ended would (decrease)/increase by AED 264,004.

c) Liquidity risk management

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

Liquidity and interest risk table:

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

Particulars	Effective Interest rate	Interest bearing: On demand or less than 3 Months	Interest bearing: Within 1 year	Interest bearing: More than 1 year	Non interest bearing: On demand or less than 3 Months	Non interest bearing: Within 1 year	Non interest bearing: More than 1 year	Total
Financial assets								
Deferred guarantee asset		-	258,156	6,028,198	-	-	-	6,286,354
Other bank deposits		-	46,088,406	-	-	-	-	46,088,406
Deposits and other receivables	3.9%	-	-	-	-	1,694,682	-	1,694,682
Bank balances		-	-	-	8,909,494	-	-	8,909,494
		-	46,088,406	-	8,909,494	1,694,682	-	56,692,582
Financial Liabilities		-	-	-	-	-	-	-
Lease liabilities	6.0%	-	-	13,003,576	-	-	-	13,003,576
Borrowings	3.8%	-	5,001,390	47,799,350	-	-	-	52,800,740
Accounts and other payables		-	-	-	-	3,713,889	-	3,713,889
		-	5,001,390	60,802,926	-	3,713,889	-	69,518,205

d) Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly.

Details of credit risks on other receivables is disclosed in notes 10 to the financial statements.

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

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

25. Capital risk management

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance. The Entity's overall strategy remains unchanged from prior period. The Entity is not subject to any externally imposed capital requirements.
The capital structure of the Entity consists of equity comprising issued share capital, shareholder's current account and accumulated (loss) as disclosed in the financial statements.

26. Contingent liabilities

Except for the ongoing business obligations which are under normal course of business, there has been no other known contingent liability on the Entity's financial statements at the reporting date.

27. Commitments

	March 31, 2025
Capital commitments	44,389,868

Except for the above and ongoing business obligations which are under normal course of business, there has been no other commitment on the Entity's financial statements as at the reporting date.

28. Comparative figures

This is being the first period of audit since its inception on May 21, 2024, hence, comparative figures are not applicable.