Sterling and Wilson
International Solar FZCO
Dubai Airport Free Zone
Dubai

Financial Statements
31 March 2025

ستيرلنج آند ويلسون إنترناشونال سولار ش م ح
Sterling and Wilson
International Solar FZCO
P.O. Box: 54811, Dubai - U.A.E.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF STERLING AND WILSON INTERNATIONAL SOLAR FZCO DUBAI AIRPORT FREE ZONE, DUBAI

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Sterling and Wilson International Solar FZCO ("the Company"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS accounting standards) as issued by the International Accounting Standards Board (IASB).

Basis for Qualified Opinion

We refer to Note 3.3 h) to the financial statements which relates to the Company's policy for assessing impairment of financial assets. Except for the lifetime expected credit losses (ECL) for credit impaired amounts due from related parties, the Company has not carried out an assessment of ECL in accordance with the provisions of IFRS 9 (Financial Instruments) in relation to amount due from related parties of AED 79,768,674 and loan to a subsidiary of AED 366,938,042. Any adjustments to these figures determined as a result of such assessment would have a consequential effect on the results for the year ended 31 March 2025 and the financial position of the Company as at that date. Our opinion was also qualified in respect of this matter for the year ended 31 March 2024.

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

Emphasis of Matters

We draw attention to:

a) Note 13 c) i) of the financial statements which describes the wrongful invocation of the bank guarantees by two customers of a subsidiary, aggregating to AED 172.8 million (USD 47.04 million) in a particular geography. The Management is confident of recovering the encashed guarantees which has been recognised by the Company as recoverable from the customer.

b) Note 13 c) ii) of the financial statements which describes the wrongful invocation of the bank guarantees by a customer of a subsidiary, aggregating to AED 38.29 million (AUD 16.59 million) in a particular geography. The Management is confident of recovering the encashed guarantees which has been recognised by the Company as recoverable from the customer.

c) We draw attention to Note 3.1 to the separate financial statements, which describes the basis of preparation. The separate financial statements are prepared solely to assist the Company in presenting the financial information to its shareholder and for submission to UAE Federal Tax Authority (FTA) for corporate tax filing purposes. As a result, the separate financial statements may not be suitable for another purpose. Our report is intended solely for the Company, its shareholder and for submission to the FTA and should not be used by or distributed to parties other than the shareholder or FTA. Our opinion is not modified in respect of this matter.

Our opinion is not modified in respect of the above matters.

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 IASB, 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.

Continued...

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF STERLING AND WILSON INTERNATIONAL SOLAR FZCO DUBAI AIRPORT FREE ZONE, DUBAI (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements (Continued)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, all the necessary books of accounts and other records have been maintained in accordance with the applicable requirements of Dubai Integrated Economic Zones Authority Implementing Regulations 2023. We have obtained all information and explanations which are necessary for the purpose of the audit and to the best of our knowledge and belief no violation of the above applicable regulations came to our attention which would materially affect the Company's financial position

For Moore Stephens L.L.C

Farad K. Lakdawala
Registration No.: 341

22 April 2025
Dubai, United Arab Emirates

Sterling and Wilson International Solar FZCO
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Statement of profit or loss and comprehensive income

(stated in AED)

	Note	Year ended 31 March 2025	Year ended 31 March 2024
Income			
Revenue from contracts with customers	4	**18,112,715**	1,280,325
Direct costs	5	**(16,930,509)**	(1,853,009)
Gross profit/(loss)		**1,182,206**	(572,684)
Other income	6	**68,576,751**	3,988,035
		69,758,957	3,415,351
Expenses			
General and administration	7	**24,300,996**	17,506,692
Finance charges	8	**72,548,201**	89,413,488
		96,849,197	106,920,180
(Loss) for the year		**(27,090,240)**	(103,504,829)
Other comprehensive (loss):			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement (loss) on employees' terminal benefits	18	**(30,687)**	(16,833)
Other comprehensive (loss) for the year		**(30,687)**	(16,833)
Total comprehensive (loss) for the year		**(27,120,927)**	(103,521,662)

The attached notes 1 to 23 form part of these financial statements.

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Statement of financial position

(stated in AED)

	Note	2025	2024
Assets			
Non-current assets			
Property and equipment	10	**1,163,270**	3,771
Investments in subsidiaries	11	**66,204**	66,204
Loan to a subsidiary	12	**366,926,751**	329,033,478
Total non-current assets		**368,156,225**	329,103,453
Current assets			
Accounts and other receivables	13	**873,546,833**	812,098,613
Bank balances	14	**14,248,242**	5,807,319
Total current assets		**887,795,075**	817,905,932
Total assets		**1,255,951,300**	1,147,009,385
Equity and liabilities			
Equity			
Share capital	15	**368,200,000**	184,600,000
Accumulated losses		**(200,486,271)**	(173,365,344)
		167,713,729	11,234,656
Shareholder's loan	16	**868,917,148**	947,177,753
Total equity		**1,036,630,877**	958,412,409
Liabilities			
Non-current liabilities			
Lease liability – non-current portion	17	**671,158**	--
Employees' terminal benefits – non-current portion	18	**2,170,022**	1,507,131
Total non-current liabilities		**2,841,180**	1,507,131
Current liabilities			
Lease liability – current portion	17	**415,108**	--
Employees' terminal benefits – current portion	18	**53,676**	37,514
Accounts and other payables	19	**216,010,459**	187,052,331
Total current liabilities		**216,479,243**	187,089,845
Total liabilities		**219,320,423**	188,596,976
Total equity and liabilities		**1,255,951,300**	1,147,009,385

The attached notes 1 to 23 form part of these financial statements.

Neville Madan
Director
22 April 2025

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Statement of changes in equity

(stated in AED)

	Share capital	Accumulated losses	Sub total	Shareholder's loan	Total
Balance at 1 April 2024	**184,600,000**	**(173,365,344)**	**11,234,656**	**947,177,753**	**958,412,409**
(Loss) for the year	**--**	**(27,090,240)**	**(27,090,240)**	**--**	**(27,090,240)**
Other comprehensive (loss) for the year	**--**	**(30,687)**	**(30,687)**	**--**	**(30,687)**
Total comprehensive (loss) for the year	**--**	**(27,120,927)**	**(27,120,927)**	**--**	**(27,120,927)**
Transactions with shareholder in their capacity as owner:					
Additional shares issued (Note 15)	**183,600,000**	**--**	**183,600,000**	**(183,600,000)**	**--**
Movements during the year	**--**	**--**	**--**	**105,339,395**	**105,339,395**
Balance at 31 March 2025	**368,200,000**	**(200,486,271)**	**167,713,729**	**868,917,148**	**1,036,630,877**

	Share capital	Accumulated losses	Sub total	Shareholder's loan	Total
Balance at 1 April 2023	184,600,000	(69,843,682)	114,756,318	562,570,332	677,326,650
(Loss) for the year	--	(103,504,829)	(103,504,829)	--	(103,504,829)
Other comprehensive (loss) for the year	--	(16,833)	(16,833)	--	(16,833)
Total comprehensive (loss) for the year	--	(103,521,662)	(103,521,662)	--	(103,521,662)
Transactions with shareholder in their capacity as owner:					
Movements during the year	--	--	--	384,607,421	384,607,421
Balance at 31 March 2024	184,600,000	(173,365,344)	11,234,656	947,177,753	958,412,409

The attached notes 1 to 23 form part of these financial statements.

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Statement of cash flows

(stated in AED)

	Note	Year ended 31 March 2025	Year ended 31 March 2024
Cash flows from operating activities			
(Loss) for the year		**(27,090,240)**	(103,504,829)
Adjustments for:			
Interest income	6	**(60,127,760)**	(2,012,797)
Reversal of liabilities no longer considered payable	6	**(487,782)**	(1,968,055)
Interest expense	8	**72,548,201**	89,413,488
Depreciation	10	**148,442**	11,195
Provision for employees' terminal benefits	18	**426,087**	427,913
Cash flows (used in) operations before working capital changes		**(14,583,052)**	(17,633,085)
Decrease in contract assets		--	809,167
Decrease/(increase) in accounts and other receivables		**17,458,975**	(171,956,180)
Increase/(decrease) in accounts and other payables		**11,637,134**	(24,933,986)
Employee terminal benefits paid	18	**(575,575)**	(129,534)
Net cash generated from/(used in) operating activities		**13,937,482**	(213,843,618)
Cash flows from investing activities			
(Increase) in loan to a subsidiary		--	(27,105,551)
Interest income received	6	--	21,943
Purchase of property and equipment (Excluding right-of-use asset)	9	**(10,375)**	--
Net movement in due from related parties		**(56,672,707)**	(46,691,464)
Net movement in margin money deposits		**(7,712,250)**	(21,843)
Net cash (used in) investing activities		**(64,395,332)**	(73,796,915)
Cash flows from financing activities			
Interest paid		**(3,986,397)**	(19,030,032)
Net movement in bank borrowings		--	(78,233,097)
Net movement in due to related parties	20	**7,811,584**	70,592,468
Payment of lease liability and interest	17	**(234,498)**	--
Net movement in shareholder's loan		**47,595,834**	314,156,204
Net cash from financing activities		**51,186,523**	287,485,543
Increase/(decrease) in cash and cash equivalents during the year		**728,673**	(154,990)
Cash and cash equivalents at the beginning of the year		**583,653**	738,643
Cash and cash equivalents at the end of the year	14	**1,312,326**	583,653
Non-cash transactions during the year:			
Transfer of employees' terminal benefits from a related party	18	**797,854**	--
Transfer of accrued expenses and other payables from related party	19	**1,010,312**	--
Conversion of shareholder's loan to equity	15	**183,600,000**	--
Recognition of right-of-use asset	10	**(1,297,566)**	--
Recognition of lease liability	17	**1,297,566**	--
Transfer of provision for impairment of investment in equity shares	11	--	4,160,600
Transfer from allowance for expected credit losses	21.1.b)	--	(4,160,600)

The attached notes 1 to 23 form part of these financial statements.

Sterling and Wilson International Solar FZCO
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Notes to the financial statements

(stated in AED)

1. Legal status and principal activities

Sterling and Wilson International Solar FZCO ("the Company") was incorporated on 7 December 2017 in Dubai Airport Fee Zone with limited liability in accordance with the Dubai Airport Free Zone Authority Implementing Regulations No. (1) of 1998 pursuant to Law No. (25) of 2009 concerning the Dubai International Airport Free Zone. On 27 January 2023, the Dubai Integrated Economic Zones Authority Implementing Regulations 2023 came into effect, which repealed the existing Implementing Regulations.

The registered office of the Company is located at Dubai Airport Free Zone, Dubai, UAE.

The principal activities of the Company are trading and installation of solar energy systems and components.

The Company is a subsidiary of Sterling and Wilson Renewable Energy Limited ("the Parent Company"), a public limited company incorporated in India and listed with Securities Exchange Board of India (SEBI). Major shareholders of the Parent Company are Reliance New Energy Limited and Shapoorji Pallonji and Company Private Limited. The principal activities of the Parent Company include solar energy systems and components trading and installation. The Parent Company is also engaged in design, engineering, procurement, fabrication, construction, installation, commissioning, testing and handing over of solar generating facilities and other related activities.

2. Adoption of new and revised IFRS accounting standards

2.1 Amended IFRS accounting standards adopted by the Company

The Company has adopted the following applicable amended IFRS accounting standards as of 1 April 2024:

- Amendments to IAS 7, 'Statement of Cash Flows' and IFRS 7, 'Financial Instruments: Disclosures' relating to supplier finance arrangements adds a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The term "supplier finance arrangements' has not been described. Instead, the amendments describe the characteristics of an arrangement for which the entity would be required to provide the information.

The management believes that the adoption of the above amendments effective for the current accounting period has not had any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements.

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

The following new standards and amendments to existing standards are applicable for accounting periods of the Company beginning after 1 April 2024, and have not been adopted early by the Company:

a) Amendments to IFRS 9 and IFRS 7: These amendments change the requirements as to when a financial liability can be derecognised when it is settled via electronic transfer as well as when cash flows can be considered simply payments of principal and interest and hence the ability to classify assets as at amortised cost. These amendments are effective for annual reporting periods beginning on or after 1 January 2026 with an option to early adopt.

b) In April 2024, IASB issued IFRS 18, 'Presentation and Disclosure in Financial Statements' which replaces IAS 1, 'Presentation of Financial Statements'. Further amendments have also been made to IAS 7, IAS 8, IAS 33 and IFRS 7. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements;
- improve aggregation and disaggregation.

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2. Adoption of new and revised IFRS accounting standards (Continued)

2.2 New standards and amendments to existing standards that are not yet effective and have not been adopted early by the Company (Continued)

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 with an option to early adopt. The amendments in IAS 7, IAS 8, IAS 33 and IFRS 7 will become effective when the Company adopts IFRS 18. IFRS 18 requires a retrospective approach with specific transition provisions.

c) In May 2024, the IASB issued IFRS 19, 'Subsidiaries without Public Accountability: Disclosures', which permits an eligible subsidiary to provide reduced disclosures when applying IFRS accounting standards in its financial statements. A subsidiary is eligible for reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with the IFRS accounting standards. IFRS 19 is optional for subsidiaries that are eligible and sets out disclosure requirements to subsidiaries that elect to apply it. IFRS 19 will become effective from annual reporting periods beginning on or after 1 January 2027 with early adoption permitted.

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

3. Basis of preparation and material accounting policy information and estimates

3.1 Basis of preparation and statement of compliance

These financial statements are the separate financial statements of the Company prepared solely to present to the shareholder, current and potential customers, vendors, banks, regulatory authorities and UAE Federal Tax Authority (FTA) for corporate tax filing purposes.

In these financial statements the investment in subsidiaries are accounted for using the cost method of accounting as explained in the respective accounting policy notes set out below. As required by IFRS accounting standards, the Company has prepared consolidated financial statements in which these separate financial statements and the financial statements of the subsidiaries are included on a line-by-line basis. These separate financial statements are supplementary to the consolidated financial statements and are not intended to replace or substitute such consolidated financial statements. The consolidated financial statements of the Company have been approved by the shareholder dated 22 April 2025.

The financial statements have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The financial statements have been presented in Arab Emirates Dirham (AED).

3.2 Basis of measurement

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

3.3 Material accounting policy information

a) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods
Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

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

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3. Basis of preparation and material accounting policy information and estimates (Continued)

3.3 Material accounting policy information (Continued)

a) Revenue recognition (Continued)

Revenue from contract works
Revenue from contract works is recognised over time based on the input method. Under the input method, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenue, including estimated fees or profits, are recorded proportionally as costs are incurred. The related costs are recognised in profit or loss when they are incurred.

The normal credit terms are 30 to 45 days upon delivery or issue of invoice.

Revenue from design and engineering services
Revenue is recognised over time when the relevant services are rendered. For fixed-price contracts, revenue recognised is based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer simultaneously receives and consumes the benefits provided by the Company. The payment is generally due within 90 days.

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

Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

b) Property and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

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

Tools and equipment	3 to 5 years
Right-of-use asset	1 to 3 years

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

c) Contract balances

The timing of revenue recognition, billings and collections may result in contract assets, accounts receivable and contract liabilities.

Contract assets
The contract assets +primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. Contract assets are initially recognised for revenue earned on work completed as receipt of consideration is conditional on completion of work done and acceptance by the customer, at which point the contract assets are reclassified to accounts receivable.

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3. Basis of preparation and material accounting policy information and estimates (Continued)

3.3 Material accounting policy information (Continued)

c) Contract balances (Continued)

Contract assets (Continued)
The contract assets are transferred to accounts receivable when the rights become unconditional (i.e. only the passage of time is required before payment of the consideration is due), which usually occurs when the Company issues an invoice to the customer.

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

d) Direct costs

Direct costs comprise costs that relates directly to the specific contract, costs that are attributable to the contracting activity in general and which can be allocated to contracts and other costs as are specifically chargeable to the customer under the terms of contracts.

e) Investments in subsidiaries

Investments in subsidiaries are carried at cost, less any impairment provisions.

f) Impairment of non-financial assets

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

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

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

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

(i) Recognition and initial measurement

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

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

All regular way purchases or sales of financial assets are recognised or derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

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3. Basis of preparation and material accounting policy information and estimates (Continued)

3.3 Material accounting policy information (Continued)

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

(ii) Classification and subsequent measurement

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

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

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

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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

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

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

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

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

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

The Company's financial assets, which include accounts and other receivables, loan to a subsidiary and bank balances, are classified and subsequently measured at amortised cost.

Financial assets: Subsequent measurement and gains and losses
Financial assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the profit or loss. Any gain or loss on derecognition is recognised in the profit or loss.

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3. Basis of preparation and material accounting policy information and estimates (Continued)

3.3 Material accounting policy information (Continued)

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

(ii) Classification and subsequent measurement (Continued)

Financial liabilities: Classification, subsequent measurement and gains and losses
Financial liabilities are classified and measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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

(iii) Derecognition

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

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

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

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

(iv) Offsetting

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

h) Impairment of financial assets

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

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3. Basis of preparation and material accounting policy information and estimates (Continued)

3.3 Material accounting policy information (Continued)

h) Impairment of financial assets (Continued)

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

- Accounts receivable; and
- Other financial assets measured at amortised cost.

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

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

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

i) Employees' terminal benefits

Provision is made for employees' terminal benefits which is a defined benefit plan on the basis prescribed under UAE Federal Labour Laws and is based on employees' salaries and number of years of service using actuarial techniques.

The cost of providing benefits is determined based on actuarial valuation by an independent actuary, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and remeasure each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are set with reference to high quality corporate bonds. Remeasurement, comprising actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in other comprehensive income. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost are recognised immediately. All other costs related to the defined benefit plan are recognised in the profit or loss within salaries and employee related costs.

The terminal benefits are paid to employees on termination or completion of their term of employment. Accordingly, the Company has no expectation of settling its employees' terminal benefits obligation in the near future.

j) Accounts and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received whether or not billed to the Company.

The normal credit period is 30 to 60 days upon receipt of goods/services.

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3. Basis of preparation and material accounting policy information and estimates (Continued)

3.3 Material accounting policy information (Continued)

k) Foreign currencies

Functional and presentation currency
The financial statements are presented in Arab Emirates Dirham (AED), which is the Company's presentation currency. The functional currency of the Company is USD.

Transactions and balances
Transactions in currencies other than USD are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Exchange differences arising in these cases are dealt within the profit or loss.

In determining the spot exchange rate to use on initial recognition of the related assets, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

l) Cash and cash equivalents

Cash and cash equivalents consist of unrestricted bank balances and short-term deposits less margin money deposits under lien.

m) Leases

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

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset is determined on the same basis as those of property and equipment (Note 3.3 b)). In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. Basis of preparation and material accounting policy information and estimates (Continued)

3.3 Material accounting policy information (Continued)

m) Leases (Continued)

Lease liabilitiy
Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise fixed payments for the right to use the underlying asset during the lease term that are not paid at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. They are remeasured when there is a change in future lease payments arising from a change in fixed payments or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured as described above, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases
The Company has elected not to recognise right-of-use asset and for short-term leases of staff accommodations that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

n) Contingent liabilities

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

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

3.4 Significant accounting judgement, estimates and assumptions

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

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

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

IFRS 15, 'Revenue from Contracts with Customers'

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

Satisfaction of performance obligation
The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine appropriate method of recognising revenue. For the Company's revenue from contracts with customers, the satisfaction of performance obligation is determined as follows:

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3. Basis of preparation and material accounting policy information and estimates (Continued)

3.4 Significant accounting judgement, estimates and assumptions (Continued)

IFRS 15, 'Revenue from Contracts with Customers' (Continued)

Satisfaction of performance obligation (Continued)

a) Revenue from sale of goods – revenue is recognised at the point in time when control is transferred to the customer, normally upon delivery of the goods.

b) Revenue from contract works – revenue is recognised over time as the Company creates/enhances an asset that the customer controls as the asset is created.

c) Revenue from design and engineering services - revenue is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Company.

Determination of transaction prices
The Company is required to determine the transaction prices in respect of each of its contracts with customers. In making such judgement, the Company assesses the impact of any variable consideration in the contract, due to discounts or penalties (including liquidated damages arising from delays caused in the completion of a contract), variations, claims, the existence of any significant financing component in the contract and any non-cash consideration in the contract. In estimating variable consideration, the Company is required to use either the (1) expected value method or (2) the most likely method, based on which method better predicts the amount of consideration to which it will be entitled.

Before any variable consideration is included in the transaction price, the Company's management considers whether the amount of variable consideration is constrained based on its historical experience, business forecast and the current economic conditions.

Allocation of transaction price to performance obligation in contracts with customers
The Company has elected to apply the input method in allocating the transaction price to performance obligations relating to revenue from contracts. The Company considers that the use of input method which requires revenue recognition on the basis of the Company's efforts to the satisfaction of the performance obligation provides the best reference of revenue actually earned. In applying the input method, the Company estimates the cost to complete the project in order to determine the amount of revenue to be recognised. The estimates include the job work charges, potential claims by contractors and the cost of meeting other contractual obligations to the customers. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the financial statements for the period in which such changes are determined.

Impairment of financial assets

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

Accounts receivable
The Company's credit risk is primarily attributable to its accounts receivable . The Company reviews its accounts receivable to assess impairment at regular intervals. In determining whether impairment losses should be reported in the profit or loss, the Company makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience and forward-looking estimates, is evidence of a reduction in the recoverability of the cash flows.

Other financial assets at amortised cost
Expected credit loss (ECL) on other financial assets at amortised cost are measured at an allowance equal to 12-month ECL where the credit risk has not increased significantly since initial recognition, or lifetime ECL when the credit risk has increased significantly since initial recognition. In assessing whether the credit risk has increased significantly, the Company takes into account quantitative and qualitative reasonable and supportable forward-looking information.

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

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3. Basis of preparation and material accounting policy information and estimates (Continued)

3.4 Significant accounting judgement, estimates and assumptions (Continued)

Estimates for accounting of employees' terminal benefits

The carrying value of the employees' terminal benefits is based on actuarial valuations. The actuarial valuations by an independent actuary using a project unit credit method are sensitive to assumptions concerning discount rates, salary increase rates, and other actuarial assumptions used. Changes in these assumptions may have an effect on the carrying amount of employees' terminal benefit obligation.

The discount rates used for determining the present value of the obligation under defined benefit plan are set with reference to high quality corporate bonds.

Other key assumptions relevant to the post employment benefit obligations are based in part on current market conditions. Additional disclosures concerning these obligations are provided in Note 17.

Impairment of property and equipment

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

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

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

Useful lives of property and equipment

The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Determining the lease term

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

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Use of incremental rate of borrowing

For measuring the lease liability, the Company discounted the lease payments based on its incremental rate of borrowing. The definition of incremental borrowing rate states that the rate should reflect what the Company would be charged to borrow over a similar term and under similar circumstances. To determine an appropriate rate, the Company has obtained the relevant information from its bankers.

Impairment of investments in subsidiaries

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

Impairment exists when the carrying value of investment exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

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3. Basis of preparation and material accounting policy information and estimates (Continued)

3.4 Significant accounting judgement, estimates and assumptions (Continued)

Impairment of investments in subsidiaries (Continued)

The cash flows are derived from the budget for the next three years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

4. Revenue from contracts with customers

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

a) *Type of goods or services*

	Year ended 31 March 2025	Year ended 31 March 2024
Sale of goods	**18,112,715**	--
Revenue from contract works	--	1,151,366
Revenue from design and engineering services	--	128,959
	18,112,715	1,280,325

b) *Timing of satisfaction of performance obligation*

	Year ended 31 March 2025	Year ended 31 March 2024
Goods transferred at point in time	**18,112,715**	--
Services transferred over time	--	1,280,325
	18,112,715	1,280,325

c) *Geographical locations*

	Year ended 31 March 2025	Year ended 31 March 2024
Spain	**18,112,715**	--
Middle East	--	1,151,366
South America	--	128,959
	18,112,715	1,280,325

d) *Customer relationship*

	Year ended 31 March 2025	Year ended 31 March 2024
Related party customers (Note 20)	**18,112,715**	--
Third parties	--	1,280,325
	18,112,715	1,280,325

5. Direct costs

	Year ended 31 March 2025	Year ended 31 March 2024
Material purchases	**16,720,880**	1,490,818
Contract work charges	**110,148**	200,831
Letter of credit and bank charges	**98,596**	22,199
Direct staffing costs (Note 18 b))	**740**	5,867
Others	**145**	18,578
Insurance cost	--	114,716
	16,930,509	1,853,009

6. Other income

	Year ended 31 March 2025	Year ended 31 March 2024
Interest income on loan to a subsidiary (Note 20)	**60,127,760**	1,990,854
Income from claims recoverable (see note below and Note 20)	**7,961,200**	--
Reversal of liabilities no longer considered payable	**487,782**	1,968,055
Miscellaneous income	**9**	7,183
Interest on short-term deposits	**--**	21,943
	68,576,751	3,988,035

During the year, the Company has recognised income representing a claim recoverable from the Parent Company amounting to AED 7,961,200. This claim is recoverable by the Company as per the terms of the indemnity agreement dated 30 March 2022 between the Company and the Parent Company.

7. General and administration expenses

	Year ended 31 March 2025	Year ended 31 March 2024
Salaries and employee related costs (Note 18 b))	**14,577,380**	9,438,388
Loss on foreign currency exchange	**5,248,759**	1,924,139
Bank charges	**2,376,292**	4,083,092
Travelling and conveyance	**716,857**	659,934
Legal and professional fees	**520,046**	916,013
Depreciation (Note 10)	**148,442**	11,195
Insurance	**120,053**	120,077
Short-term leases (Note 20)	**47,073**	70,610
Others	**546,094**	283,244
	24,300,996	17,506,692

8. Finance charges

	Year ended 31 March 2025	Year ended 31 March 2024
Interest expense – shareholder (Note 20)	**65,814,057**	77,954,321
Interest expense – related parties (Note 20)	**5,395,585**	--
Interest expense – others	**1,315,361**	3,049,900
Interest expense – lease liability (Note 17)	**23,198**	--
Interest expense – bank borrowings	**--**	8,409,267
	72,548,201	89,413,488

9. Income Tax

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (MoF) released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("CT Law") to enact a new corporate tax (CT) regime in the UAE. As the Company's accounting year ends on 31 March, the first tax period will be the period from 1 April 2024 to 31 March 2025 with the respective tax return to be filed on or before 31 December 2025.

The Company is registered in the Dubai Airport free zone and according to the CT Law the Company is deemed to be a Free Zone Person ('FZP'). The CT Law read in conjunction with Cabinet Decision No. 100 of 2023 and Ministerial Decision No. 265 of 2023 issued by Ministry of Finance prescribed conditions to be satisfied for a FZP to be a Qualifying Free Zone Person (QFZP'). The status of QFZP allows FZP to be subject to 0% CT rate. Based on an assessment conducted by the Company's management it has determined that the Company meets the required conditions for QFZP status and consequently will be subject to 0% CT rate.

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10. Property and equipment

2025	Tools and equipment	Right-of-use asset	Total
Cost			
At the beginning of the year	**655,767**	--	**655,767**
Additions during the year	**10,375**	**1,297,566**	**1,307,941**
At the end of the year	**666,142**	**1,297,566**	**1,963,708**
Accumulated depreciation			
At the beginning of the year	**651,996**	--	**651,996**
Charge for the year	**4,268**	**144,174**	**148,442**
At the end of the year	**656,264**	**144,174**	**800,438**
Net book value			
At the end of the year	**9,878**	**1,153,392**	**1,163,270**

2024	Tools and equipment	Right-of-use asset	Total
Cost			
At the beginning of the year	655,767	--	655,767
At the end of the year	655,767	--	655,767
Accumulated depreciation			
At the beginning of the year	640,801	--	640,801
Charge for the year	11,195	--	11,195
At the end of the year	651,996	--	651,996
Net book value			
At the end of the year	3,771	--	3,771

Right-of-use asset represent office premises taken on non-cancellable operating leases (Note 3.3 m)).

11. Investments in subsidiaries

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

Name of subsidiaries	Place of incorporation	Proportion of ownership interest held by the Company		Carrying value	
		2025	2024	**2025**	2024
Sterling and Wilson Middle East Solar Energy L.L.C	UAE	**100%**	100%	**1,234,652**	1,234,652
Sterling and Wilson Singapore Pte. Ltd.*	Singapore	**100%**	100%	**150,260**	150,260
Sterling and Wilson Engineering (Pty) Ltd.	South Africa	**60%**	60%	**21**	21
Sterling and Wilson Solar Solutions Inc.	USA	**100%**	100%	**368**	368
Sterling and Wilson Solar Spain S.L.	Spain	**99%**	99%	**17,813**	17,813
GCO Solar Pty Ltd.	Australia	**100%**	100%	**2,555,368**	2,555,368
Sterling and Wilson International LLP*	Kazakhstan	**100%**	100%	**220,320**	220,320
Sterling and Wilson Solar Australia Pty Ltd	Australia	**100%**	100%	**11,291**	11,291
Sterling and Wilson Renewable Energy Spain S.L.	Spain	**100%**	100%	**36,711**	36,711
				4,226,804	4,226,804
Provision for impairment of investment in subsidiaries				**(4,160,600)**	(4,160,600)
				66,204	66,204

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11. Investments in subsidiaries (Continued)

The following subsidiaries are held through the Company's subsidiaries in Singapore, USA and Spain:

Name of subsidiary	Held through	Place of incorporation	Proportion of ownership interest held by the subsidiaries	
			2025	2024
Sterling and Wilson Solar Solutions LLC*	Sterling and Wilson Solar Solutions Inc., USA	USA	**100%**	100%
Sterling and Wilson Renewable Energy Nigeria Ltd*	Sterling and Wilson Solar Solutions Inc., USA	Nigeria	**100%**	100%
Sterling and Wilson Kazakhstan LLP*	Sterling and Wilson Singapore Pte. Ltd.	Kazakhstan	**100%**	100%
Esterlina Solar – Proyecto Uno, S.L. *	Sterling and Wilson Solar Spain S.L.	Spain	**100%**	100%
Esterlina Solar – Proyecto Dos, S.L. *	Sterling and Wilson Solar Spain S.L.	Spain	**100%**	100%
Esterlina Solar – Proyecto Tres, S.L.*	Sterling and Wilson Solar Spain S.L.	Spain	**100%**	100%
Esterlina Solar – Proyecto Cuatro,S.L.*	Sterling and Wilson Solar Spain S.L.	Spain	**100%**	100%
Esterlina Solar – Proyecto Cinco, S.L. *	Sterling and Wilson Solar Spain S.L.	Spain	**100%**	100%
Esterlina Solar – Proyecto Seis, S.L. *	Sterling and Wilson Solar Spain S.L.	Spain	**100%**	100%
Esterlina Solar – Proyecto Siete, S.L. *	Sterling and Wilson Solar Spain S.L.	Spain	**100%**	100%
Esterlina Solar – Proyecto Ocho, S.L. *	Sterling and Wilson Solar Spain S.L.	Spain	**100%**	100%
Esterlina Solar – Proyecto Nueve, S.L.*	Sterling and Wilson Solar Spain S.L.	Spain	**100%**	100%

* There has been no significant commercial activity for these subsidiaries as of the reporting date.

The principal activities of the subsidiaries include solar energy systems and components trading, rental and installation. The subsidiaries are also engaged in design, engineering, procurement, fabrication, construction, installation, commissioning, testing and handing over of solar generating facilities and other related activities.

12. Loan to a subsidiary

	2025	2024
Sterling and Wilson Solar Australia Pty Ltd (Note 20)	**366,926,751**	329,033,478
	366,926,751	329,033,478

As per the terms of the loan agreement with the subsidiary, the loan is unsecured, carries interest on the outstanding balance that shall be mutually agreed between the Company and the subsidiary from time to time. The principal together with all interest due shall be repaid by the subsidiary on due date as mutually agreed between the Company and the subsidiary. However, the Company is not expecting any repayment of loan from the subsidiary within the twelve months from the reporting date. Since no repayment date is agreed with the subsidiary, the fair value of the loan as at the reporting date cannot be reliably determined. As mutually agreed by both parties, the interest rate is 7% (2024: nil) per annum for the year ended 31 March 2025.

13. Accounts and other receivables

	2025	2024
Accounts receivable		
- related parties	**43,987,468**	49,444,740
- third parties	**535,391**	538,831
Due from related parties	**619,728,454**	545,310,581
Other receivables (see note c) below)	**211,370,151**	218,730,500
VAT recoverable	**480,032**	419,156
Deposits and prepayments	**78,370**	248,459
Advances to suppliers	**1,355**	40,734
	876,181,221	814,733,001
Less: Allowance for expected credit losses (Note 21.1 b))	**(2,634,388)**	(2,634,388)
	873,546,833	812,098,613

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13. Accounts and other receivables (Continued)

a) The Company's risk exposure and expected credit losses on accounts receivable, due from related parties and other receivables are disclosed in Note 21.1 b).

b) Accounts receivable, due from related parties and other receivables are considered collectible based on historic experience.

c) Other receivables include:

i) Bank guarantees are invoked by two customers in relation to two projects of a subsidiary in a particular geography for an amount of AED 83.35 million (USD 22.70 million) and AED 89.38 million (USD 24.34 million). The receivable amounts are recorded in the books of the Company as the Company has provided bank guarantees to the customers of the subsidiary in relation to the aforesaid two projects. The subsidiary believes that both these invocations are wrongful in nature as the projects have successfully achieved commercial operations and that they have fulfilled all its obligations under the contracts.

The subsidiary has filed liens amounting to AED 160.69 million (USD 43.76 million) and AED 223.04 million (USD 60.74 million) on project properties for the recovery of amount due and recoverable from the customers. The customers have furnished bonds equivalent to 150% of the liens and released the liens on the project properties. The subsidiary has filed applications for foreclosure of the liens and has commenced federal litigation against the two customers in the appropriate Courts of Law for the wrongful invocation of the two bank guarantees.

In the opinion of the Management, supported by internal legal assessment, along with submissions made to the appropriate Courts, the Company is confident of recovering the wrongfully invoked bank guarantee amounts aggregating to AED 172.73 million (USD 47.04 million), which has been recognised by the Company as recoverable from the customers.

ii) Bank guarantee invoked by a customer in relation to a project of a subsidiary in a particular geography for an amount of AED 38.30 million (AUD 16.59 million). The receivable amounts are recorded in the books of the Company as the Company has provided the bank guarantee to the customer of the subsidiary in relation to the aforesaid project.

The subsidiary believes that invocation is wrongful in nature considering the fact that despite the project being fully constructed it could not be fully operated for certain technical reasons as being the responsibility of the Owners which has been brought to their notice on several occasions.

In the opinion of the Management, supported by internal assessment and discussions with external legal counsels, the Company is confident of recovering the wrongfully invoked bank guarantee which has been recognised by the Company as recoverable from the customer.

14. Bank balances

	2025	2024
Bank current accounts	**1,312,326**	583,653
Margin money deposits	**12,935,916**	5,223,666
Bank balances	**14,248,242**	5,807,319
Less: Margin money deposits under lien	**(12,935,916)**	(5,223,666)
Cash and cash equivalents in the statement of cash flows	**1,312,326**	583,653

Margin money deposits are subject to a charge for the facilities granted to the Company.

15. Share capital

	2025	2024
Authorised, issued and fully paid:		
368,200 shares of AED 1,000 each		
(2024: 184,600 shares of AED 1,000 each)	**368,200,000**	184,600,000
	368,200,000	184,600,000

The memorandum and articles of association of the Company was amended on 3 February 2025 whereby the authorised and issued share capital of the Company was amended as AED 368,200,000 divided into 368,200 shares of AED 1,000 each. An amount of AED 183,600,000 has been transferred from shareholder's loan in connection with the issuance of additional shares.

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16. Shareholder's loan

Shareholder's loan is unsecured and carries interest at 6.5% (2024: 9.5%) per annum, without defined repayment arrangements and is repayable only at the option of the Company. During the year, an amount of AED 183,600,000 was transferred to share capital in connection with the issuance of additional shares.

17. Lease liability

Lease liability represent the discounted value of future lease payments for the leases of office premises (Note 3.4 m).

The movement of lease liability at the end of each reporting date is as follows:

	2025	2024
Add: Discounted lease liability for operating leases entered during the year (Note a))	**1,297,566**	--
Add: Interest on lease liability	**23,198**	--
Less: Lease liability and interest paid	**(234,498)**	--
Balance at the end of the year	**1,086,266**	--
Less: current portion of the lease liability	**(415,108)**	--
Non-current portion of the lease liability	**671,158**	--

a) Lease commitments for operating leases entered during the year has been discounted using the incremental borrowing rate as at the date of commencement of lease.

b) The above lease commitments do not include lease commitments for short-term leases, i.e., where the lease term is 12 months or less. These payments are expensed in the profit or loss.

Amounts recognised in the profit or loss

	2025	2024
Short-term leases (Note 7)	**47,073**	--
Interest on lease liability (Note 8)	**23,198**	--

Amount recognised in the statement of cash flows

	2025	2024
Payment of lease liability and interest	**234,498**	--

18. Employees' benefits

a) Employees' terminal benefits

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

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

	2025	2024
Balance at the beginning of the year	**1,544,645**	1,229,433
Current service costs and interest	**426,087**	427,913
Actuarial (gains)/losses recognised in other comprehensive income:		
- changes in financial assumptions	**(34,223)**	(13,520)
- experience adjustments	**64,910**	30,353
Transfer from related party during the year (Note 20)	**797,854**	--
Payments made during the year	**(575,575)**	(129,534)
Balance at the end of the year	**2,223,698**	1,544,645

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18. Employees' benefits (Continued)

a) Employees' terminal benefits (Continued)

The maturity profile of employees' terminal benefits is as follows:

	2025	2024
Payable within 12 months	**53,676**	37,514
Payable after 12 months	**2,170,022**	1,507,131
	2,223,698	1,544,645

The following are the principal actuarial assumptions at the reporting date:

	2025	2024
Discount rate	**5.20%**	4.90%
Salary escalation	**5.00%**	5.00%
Employee turnover rate	**2.0%**	2.0% to 3.60%

The sensitivities of the overall employees' terminal benefits to changes in the weighted principal assumptions are:

	2025	2024
Discount rate + 100 basis points	**(230,463)**	(126,866)
Discount rate - 100 basis points	**272,981**	142,633
Salary escalation rate + 100 basis points	**270,734**	141,060
Salary escalation rate - 100 basis points	**(232,906)**	(127,905)
Employee turnover + 100 basis points	**4,342**	(808)
Employee turnover - 100 basis points	**(4,948)**	878

b) Salaries and employee related costs

	2025	2024
Salaries and wages	**13,724,279**	8,475,671
Employees' terminal benefits	**426,087**	427,913
Accrued leave salary	**151,766**	239,283
Other employee related costs	**275,988**	301,388
	14,578,120	9,444,255

Salaries and employee related costs are presented as follows in the profit or loss:

	2025	2024
Cost of sales (Note 5)	**740**	5,867
General and administration expenses (Note 7)	**14,577,380**	9,438,388
	14,578,120	9,444,255

19. Accounts and other payables

	2025	2024
Due to related parties	**178,948,136**	171,136,552
Accounts payable	**18,941,706**	2,781,266
Contract liabilities (advances from customers)	**10,111,835**	10,111,835
Accrued expenses and other payables (Note 20)	**8,008,782**	3,022,678
	216,010,459	187,052,331

Due to related parties include an amount of AED 83,598,421 (2024: AED 93,724,679) due to the Parent Company which carries interest at 6.5% (2024: 9.5%) per annum and is payable on demand.

20. Related party transactions

The Company has entered into both funding and other transactions with related parties during the year. Related parties represent shareholder and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Prices and terms of these transactions were approved by the management.

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20. Related party transactions (Continued)

The significant transactions during the year are as follows:

	Relationship	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from contracts from customers(Note 4d))	Subsidiary	**18,112,715**	--
Interest income (Note 6)	Subsidiary	**60,127,760**	1,990,854
Income from claims recoverable (Note 6)	Parent Company	**7,961,200**	--
Recharge of expenses by related parties (under direct costs and general and administration expenses)	Parent Company	**2,408,438**	4,395,176
	Shareholder of the Parent Company	**--**	9,549
		2,408,438	4,404,725
Interest expense - shareholder (Note 8)	Parent Company	**65,814,057**	77,954,321
Interest expense – related parties (Note 8)	Subsidiary	**5,395,585**	--
Short-term leases (Note 7)	Other related party	**47,073**	70,610
Transfer of employees' terminal benefits from related party (Note 18)	Subsidiary	**797,854**	--
Transfer of accrued expenses and other payables from related party (Note 19)	Subsidiary	**1,010,312**	--
Management remuneration (included under salaries and employee related costs)	Key management	**8,060,316**	4,886,400

The amounts due to related parties do not attract interest and are payable on demand except for the amount due to the Parent Company amounting to AED 83,598,421 (2024: AED 93,724,679) which carries interest at 6.5% (2024: 9.5%) per annum and due to a subsidiary amounting to AED 89,684,548 (2024: AED 71,293,996), which carries interest at 7% (2024: Nil) per annum. The amounts due from related parties carries interest at 7% (2024: 3%) per annum.

The significant related party balances as at the 31 March are as follows:

	2025	2024
Due from related parties (Note 13)		
a) Sterling and Wilson Solar Solutions Inc	**493,101,927**	425,712,956
b) GCO Electrical Pty. Ltd.	**71,547,344**	69,399,019
c) Renovable Energia Contracting S.L.	**22,455,052**	19,156,203
d) Sterling and Wilson ME Solar Energy LLC	**9,460,277**	--
e) Sterling and Wilson Engineering Pty Ltd.	**9,210,764**	12,665,433
f) Sterling and Wilson Private Limited – RAK Branch	**8,383,875**	8,324,374
g) Sterling and Wilson International FZE	**4,108,333**	8,657,155
h) Sterling and Wilson Singapore Pte Limited	**760,604**	705,630
i) Sterling and Wilson International LLP (Kazakhstan)	**700,278**	689,811
	619,728,454	545,310,581
Accounts receivable (Note 13)		
a) Shapoorji Pallonji Infrastructure private limited	**41,838,329**	41,838,329
b) Sterling and Wilson Renewable Energy Limited	**1,003,293**	1,003,293
c) Sterling and Wilson Private Limited	**625,140**	6,082,412
d) Sterling and Wilson Zambia branch	**520,706**	520,706
	43,987,468	49,444,740
Due to related parties (Note 19)		
a) Sterling and Wilson Renewable Energy Spain S.L.	**89,684,548**	71,293,996
b) Sterling and Wilson Renewable Energy Limited	**83,598,421**	93,724,679
c) Sterling and Wilson Solar LLC (Oman)	**4,363,952**	4,363,952
d) Sterling and Wilson Pvt. Ltd.	**1,279,180**	1,279,180
e) Sterling and Wilson Solar Solutions LLC	**22,035**	22,035
f) Sterling and Wilson ME Solar Energy LLC	**--**	452,710
	178,948,136	171,136,552
Loan to a related party (Note 12)		
Sterling and Wilson Solar Australia Pty Ltd	**366,926,751**	329,033,478

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21. Financial risk and capital management

21.1 Financial risk factors

The Company's financial instruments consist mainly of accounts and other receivables, loan to a subsidiary, bank balances, lease liability and accounts and other payables. The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. No changes were made in the risk management objectives and policies during the years ended 31 March 2025 and 31 March 2024. The identified risks are:

a) Currency risk

The Company manages its currency risk by regularly assessing current and expected foreign currency exchange rate movements. Management believes that there is minimal risk of significant losses due to exchange rate fluctuations and consequently the Company does not hedge foreign currency exposures..

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

	2025	2024
	AED	AED
Australian Dollars (AUD)	**219,230,461**	222,893,159
Euro (EUR)	**84,037,143**	46,466,618
Others	**43**	43

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

	2025	2024
Change in currency rate by 5% (+/-)	**Effect on loss (+/-)**	Effect on loss (+/-)
Currency	**AED**	AED
AUD	**10,961,523**	1,144,658
Euro	**4,201,857**	2,323,331
Others	**2**	2

b) Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally of bank balances, accounts receivable, loan to a subsidiary, amounts due from related parties and other receivables.

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

Accounts receivable, loan to a subsidiary, due from related parties and other receivables
The credit risk on accounts receivable, loan to a subsidiary, , amounts due from related parties and other receivables are subjected to credit evaluations. Outstanding receivables are regularly monitored and an allowance has been made for expected credit losses. The amounts presented in the statement of financial position are net of allowances for expected credit losses.

The Company is exposed to a significant concentration of credit risk. At the reporting date, 94% of the accounts receivable is due from 1 customer (2024: 96% is due from 2 customers) and 92% of the amounts due from related parties is due from 2 parties (2024: 91% is due from 2 parties).

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21. Financial risk and capital management (Continued)

21.1 Financial risk factors (Continued)

b) Credit risk (Continued)

Accounts receivable, loan to a subsidiary, due from related parties and other receivables (Continued)
With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Impairment of financial assets
The Company's accounts receivable and due from related parties are subject to the expected credit loss model.

While bank balances and other financial assets at amortised cost representing deposits and other receivables and loan to a subsidiary are also subject to impairment, the identified impairment loss is considered immaterial.

Reconciliation of the closing loss allowances for due from related parties as at 31 March 2025 to the opening loss allowances are as follows:

	2025	2024
Balance at the beginning of the year	**2,634,388**	6,794,988
Transfer to provision for impairment of investment in subsidiaries	**--**	(4,160,600)
Balance at the end of the year (Note 13)	**2,634,388**	2,634,388

The above loss allowance recognised by the Company represents lifetime expected credit losses for specific credit-impaired amount due from related parties. Except for the expected credit losses for specific credit impaired amount due from related parties, the identified expected credit loss on accounts receivable, and other amounts due from related parties is considered immaterial.

Accounts receivable and amounts due from related parties are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, failure to agree in a repayment plan with the Company and a failure to make contractual payments for a period of greater than 365 days past due. Impairment losses on accounts receivable and amount due from related parties are presented as net impairment losses in profit or loss. Subsequent recoveries of amounts previously written off are credited against the same account.

c) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The Company maintains good working relations with its banks and ensures compliance with the covenants as stipulated in facility agreements.

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

2025	On demand	0 to 1 year	More than 1 year	Total
Accounts and other payables	**178,948,136**	**26,950,488**	**--**	**205,898,624**
Lease Liability	**--**	**468,996**	**703,494**	**1,172,490**
Total	**178,948,136**	**27,419,484**	**703,494**	**207,071,114**

2024	On demand	0 to 1 year	More than 1 year	Total
Accounts and other payables	171,136,552	5,803,944	--	176,940,496
Total	171,136,552	5,803,944	--	176,940,496

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21. Financial risk and capital management (Continued)

21.2 Capital management

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

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder, return funds to shareholder, issue new shares, or sell assets to reduce its exposure to debt. Capital comprises share capital and accumulated losses and is measured at AED 167,713,729 as at 31 March 2025 (2024: AED 11,234,656).

22. Contingent liabilities

The Company has provided guarantees to the customers of subsidiaries in respect of mobilisation advance received by the subsidiaries and for the performance of the contract obligations.

23. Comparative figures

Certain of the prior year amounts have been reclassified to conform to the presentation in the current year.

	As previously reported	Effect of reclassification	After reclassification
Statement of profit or loss and other comprehensive income			
For the year ended 31 March 2024			
Expenses			
General and administration	17,495,497	11,195	17,506,692
Depreciation	11,195	(11,195)	--

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