ALPHAGEO International Limited
Dubai - United Arab Emirates

Consolidated Reports and Financial Statements
For the year March 31, 2023

ALPHAGEO International Limited
Dubai - United Arab Emirates

Consolidated Reports and Financial Statements
For the year March 31, 2023

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report and the audited financial statements of Alphageo Intenational Limited for the year ended March 31, 2023.

PRINCIPAL ACTIVITIES:

The Group is engaged in activity of Investment in Limited Liability Companies, Partnerships, Joint Ventures and in any other Companies; General Trading; Providing Technical Support Services outside United Arab Emirates; providing onshore and offshore oil and gas field services, geophysical and geological services and studies and extraction and drilling equipment and machinery rental.

BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENTS:

The Company has a turnover of US$ Nil for the year. The Company has earned a net Loss of USD 297,314. The Directors are optimistic about the prospects for the coming years and expects to further improve the performance of the Company and accordingly have taken necessary steps in the present financial year.

FINANCIAL RESULTS

The financial result of the Company is as summarized below:

(Amounts in USD)

Particulars	2022-23	2021-22
Revenue	--	73,399
Gross Profit/(Loss)	--	(61,209)
Net Profit /(Loss)	(297,314)	(141,853)

CHANGES IN ACCOUNTING POLICIES:

There have not been any significant changes in the accounting policies as in the previous years.

DIVIDENDS:

During the year 2022-23 the company did not declare or pay any dividends to he shareholders.

Alphageo International Limited Dubai

LITIGATIONS:

There are no legal or arbitration proceedings, nor are the Directors aware of any such proceedings, as on the date of this report, which are pending or threatened, which may or may not have a material effect on the Financial statements.

AUDITORS:

The auditors of the Company are M/s. MCA Auditing, Chartered Accountants, Dubai, United Arab Emirates, and the Company proposes their re-appointment for the year ended March 31, 2024.

DIRECTORS' RESPONSIBILITIES:

The Company law requires the Director to prepare the financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of the net profit or loss for that year. The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the regulations of Jebal Ali free Zone Authority, Dubai, United Arab Emirates.

Alphageo International Limited Dubai

DINESH ALLA
Director

Date: May 18, 2023

mca

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALPHAGEO INTERNATIONAL LIMITED AND ITS SUBSIDIARY , DUBAI, UNITED ARAB EMIRATES

Report on Audit of Consolidtaed financial statements

Opinion

We have audited the Consolidtaed financial statements of **ALPHAGEO INTERNATIONAL LIMITED (the Group)**, which comprise the Consolidated statement of financial position as at March 31, 2023, and the Consolidated statement of total comprehensive income, Consolidated statement of cash flows and Consolidated statement of changes in equity for the year ended, and Consolidated notes to the Consolidtaed financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Responsibilities of Management for the Consolidtaed financial statements

Management is responsible for the preparation and fair presentation of the Consolidtaed financial statements in accordance with International Financial Reporting Standards and in compliance with the provisions of the Jebal Ali Free Zone Authority and Dubai Multi Commodities Center and for such internal control as management determines is necessary to enable the presentation of Consolidtaed financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidtaed financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so. The management is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidtaed financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidtaed 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. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidtaed financial statements.

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

MCA AUDITING

furthering aspirations

- Identify and assess the risks of material misstatement of the Consolidtaed 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 Group's internal control.

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

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

- 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 Group'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 Consolidtaed 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 Group to cease to continue as a going concern.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidtaed financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

From the matters communicated with the management, we determine if there are any matters that were of most significance in the audit of the Consolidtaed financial statements for the current year, and are therefore the key audit matters. Based on the information and explanation provided to us and our observation during the course of our audit, we have determined that there are no such key audit matters to be communicated in our report.

Report on Other Legal and Regulatory Requirements

As required by the provisions of the Jebal Ali Free Zone Authority and Dubai Multi Commodities Center, we report that:

- In our opinion, proper books of account as required by law have been kept by the Group and are maintained on a regular basis so far as it appears from our examination of those books. The statement of financial position as at March 31, 2023, and the statement of total comprehensive income, the statement of cash flows and the statement of changes in equity dealt with by this report are in agreement with the books of account. The Consolidtaed financial statements comply with the required International Financial Reporting standards as issued by the International Accounting Standards Board (IASB).

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- Based on the information and explanations given to us, there are no contraventions of the provisions of Jebal Ali Free Zone Authority and Dubai Multi Commodities Center or the Articles of Association of the Group during the reported period so as to adversely affect the activity or financial position of the Group.

For MCA Auditing

S.Venkatesh
Registration Number: 676
Date: 18/05/2023

ام سي اي لمراجعة الحسابات
Dubai - U.A.E.
MCA AUDITING

ALPHAGEO International Limited
Dubai - United Arab Emirates

Consolidated Statement of financial position
As at March 31, 2023
(In United States Dollars)

	Notes	2022 - 23	2021 - 22
Assets			
Non-current Assets			
Property, plant and equipment	5	1,385,822	1,570,540
Total non-current assets		**1,385,822**	**1,570,540**
Current assets			
Other Current Assets	6	22,478	225,817
Cash and cash equivalents	7	3,818,724	3,722,703
Total current assets		**3,841,202**	**3,948,520**
Total assets		**5,227,024**	**5,519,060**
Equity & Liabilities			
Shareholders' Equity			
Share capital		2,848,047	2,848,047
Retained Earnings		2,358,802	2,656,116
Total equity		**5,206,849**	**5,504,163**
Liabilities			
Non-current liabilities			
Employee end of Service benefit	8	10,760	7,852
Total non-current liabilities		**10,760**	**7,852**
Current liabilities			
Other Current Liabilities	9	9,415	7,045
Total current liabilities		**9,415**	**7,045**
Total liabilities		**20,175**	**14,897**
Total shareholders' equity and liabilities		**5,227,024**	**5,519,060**

The Report of the Auditors is set out on Pages 1 and 2.
The financial statements were approved on behalf of the Board of Directors

Alphageo International Limited ★ Dubai

Dinesh Alla
Director

Date:

The accompanying notes form an integral part of these financial statements.

ALPHAGEO International Limited
Dubai - United Arab Emirates

Consolidated Statement of comprehensive income
For the year March 31, 2023
(In United States Dollars)

Particulars	**Notes**	**2022 - 23**	**2021 - 22**
Revenue		-	73,399
Direct expenses	10	-	(134,608)
Gross profit/(Loss)		**-**	**(61,209)**
Other income	11	15,216	25,368
Administrative expenses	12	(121,760)	(100,245)
Depreciation	5	(184,718)	-
Net profit/(Loss)		**(291,262)**	**(136,086)**
Managerial Remuneration & Other Benefits		(6,052)	(5,767)
Total comprehensive income/(Loss) for the period		**(297,314)**	**(141,853)**

The Report of the Auditors is set out on Pages 1 and 2.
The financial statements were approved on behalf of the Board of Directors

Dinesh Alla
Director

Date:

The accompanying notes form an integral part of these financial statements.

ALPHAGEO International Limited
Dubai - United Arab Emirates

Consolidated Statement of changes in equity
For the year March 31, 2023
(In United States Dollars)

Particulars	**Share capital**	**Retained earnings**	**Total**
Figures in (USD)			
Balance as at April 01, 2022	2,848,047	2,656,116	5,504,163
Net movements during the year	-	-	-
Net Profit during the year	-	(297,314)	(297,314)
Balance as at March 31, 2023	**2,848,047**	**2,358,802**	**5,206,849**
Figures in (USD)			
Balance as at April 01, 2021	2,848,047	2,797,969	5,646,016
Net movements during the year	-	-	-
Net Profit during the year	-	(141,853)	(141,853)
Balance as at March 31, 2022	**2,848,047**	**2,656,116**	**5,504,163**

ALPHAGEO International Limited
Dubai - United Arab Emirates

Consolidated Statement of cash flows
For the year March 31, 2023
(In United States Dollars)

Particulars	2022 - 23	2021 - 22
Cash flows from operating activities		
Total Comprehensive Income	(297,314)	(141,852)
Adjustments for:		
Depreciation	184,718	134,608
End of service benefits	2,908	1052
	(109,688)	**(6,192)**
(Increase)/Decrease in Trade & Other Receivables	-	62,195
(Increase)/Decrease in Other Current Assets	203,339	331,027
(Decrease)/Increase in Other Current liabilities	2,370	(3,353)
Net cash (used in) / generated from operating activities (A)	**96,021**	**383,677**
Cash flow from investing activities		
Fixed Assets purchased		
Net cash (used in) / generated from investing activities (B)	**-**	**-**
Cash flows from financing activities		
Net cash (used in) / generated from financing activities (C)	**-**	**-**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**96,021**	**383,677**
Cash and cash equivalents at the beginning of the Year	3,722,703	3,339,026
Cash and cash equivalents at the end of the Year	**3,818,724**	**3,722,703**

Note:
Cash & Cash equivalents includes:

Bank balance	3,818,724	3,722,703
Total	**3,818,724**	**3,722,703**

Consolidated Notes to the Financial Statements
For the year March 31, 2023

1 Reporting Entity

Alphageo International Limited ("the group") comprise of ALPHAGEO DMCC and ALPHAGEO International Limited. These consolidated financial statements represent the consolidated operations, assets and liabilities of the entities listed below .

ALPHAGEO International Limited ("the Company") is a Limited Liability company domiciled in the United Arab Emirates (UAE). The Company was incorporated on June 10, 2010 under the Registration No. 139127 issued by Jebal Ali Free Zone Authority. The registered office of the Company is Office 106,The Binary,Al Abraj Street ,Businees Bay, Dubai, UAE. The Company is engaged in the activity of investment in limited liability companies, partnerships, joint ventures and any other company, general trading and provision of technical support services outside UAE.

The authorized share capital of the Company is USD 20,336,226 (equivalent to AED 75,000,000 divided into 750,000 shares of AED 100 each.) and paid up capital is usd 2,848,047(equivalent to AED 10,503,600 divided into 105,036 of AED 100 each) Following was the share holding at the incorporation date:

The Company is a 100% subsidiary of Alphageo India Limited which is a company incorporated and existing under the laws of India. The company is managed by its board of directors.

ALPHAGEO DMCC("the subsidiary company ") is a Limited Liability company domiciled in the United Arab Emirates (UAE). The Company was incorporated on January 30, 2011 under the Service License No. DMCC-31569 issued by Dubai Multi Commodities Centre. The registered office of the Company is Unit no.316, DMCC Business center, Level No.5,Jewellery & Gemplex 2, Dubai, UAE. Activities as per trade license is Onshore & Offshore Oil & Gas Fields Services, Geophysical & Geological Studies & Services, Extracting & Drilling Equipment & Machinery Rental.

The issued and authorized share capital of the ALPHAGEO DMCC is USD 54,230 (AED200,000 divided into 200 shares of AED 100 each). Following was the share holding at the incorporation date:

The Company is a 100% subsidiary of Alphageo International Limited , which is a company incorporated and existing under the regulation of Jebal Ali Free Zone Authority. The company is managed by its Board of Directors.

2 Summary of significant accounting policies

2.1 Statement of Compliance

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS).

Consolidated Notes to the Financial Statements
For the year March 31, 2023

2.2 Basis of Preparation

These consolidated financial statements represent the consolidated operations, assets and liabilities of the Group.

The consolidated financial statements have been prepared on historical cost basis. The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those used in the previous year. The Consolidated financial statements are presented in United Arab Emirates Dirhams (AED), which is the functional currency of the Group.

These financial statements have been prepared by the Management on a going concern basis based on their assessment of the financial ability of the group.

This financial statements presents the Consolidated results of:

1 ALPHAGEO International Limited
2 ALPHAGEO DMCC

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those used in the previous year, except for certain standards and interpretations and amendments to standards and interpretations adopted by the Group as of 1 April 2022.

2.3 New and revised IFRSs applied with no material effect on the financial statements

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the group's financial statements are disclosed below. The group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Amendments to IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors

In June 2021, the IASB issued amendments to IAS 8.
These amendments introduce the definition of an accounting estimate and include other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

2.4. Summary of Key Accounting Policies

a. Revenue Recognition

IFRS 15 "Revenue from contract with customers" outlines guidelines for revenue arising from contracts with customers and supersedes current revenue recognition guidance across several standards and interpretations in IFRS.

The group recognises revenue on fulfillment of the below mentioned criteria's:
a) The customer simultaneously receives and consumes benefits provided as part of Companies Performance obligation; or
b) The group's performance creates or enhances an asset that the customer controls as the asset is created or enhances; or
c) The group's performance does not create an asset with an alternative use to the Customer and the group has an enforceable right to payment for performance obligations created to date.

For Performance Obligations where none of the above conditions are met, revenue is recognised at a point in time at which performance obligation is satisfied.

Revenue is recognised in the financial statements to the extent that economic benefits will flow to the group and the revenue and costs, if and when applicable can be measured reliably for its activities as specified below:

The group earns revenue from Onshore & Offshore Oil & Gas Fields Services, Geophysical & Geological Studies & Services, Extracting & Drilling Equipment & Machinery Rental, investment in limited liability companies, partnerships, joint ventures and any other company, general trading and provision of technical support services outside UAE. . Revenue is recognized when persuasive evidence exists for recovery of the consideration, performance obligations as per the contractual arrangement have been completed, and the amount of revenue can be measured reliably.

The group did not earn any revenue during the year.

b. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the group at the exchange rates at the dates of the transactions or at rates that closely approximate the rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction and are not retranslated. Foreign currency differences are generally recognised in profit or loss.

Consolidated Notes to the Financial Statements
For the year March 31, 2023

c. Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent costs are included in the asset carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow from to the group and cost of the item can be reliable measured. All other repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method. The estimated useful lives are as follows:

Plant & Machinery	5-21 years
Computers and software	3-6 Years
Other equipments	5 Years

The company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. The deprecation is charged at 95% of the value of the asset. Machinery in the nature of Geophone strings and cables, equipment used for Seismic survey, the useful life is 5 years and in case of software, the estimated useful life is 3 years.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Impairment losses are recognised in profit or loss.

d. Financial instruments

Financial assets and financial liabilities are recognized in the group's financial statements when the group has become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are recognized in the group's financial statements when the group has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favorable or an equity instrument.

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and liabilities are initially recognized in the group's financial statements when the group has become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price measured under IFRS 15.

ii) Classification and subsequent measurement

Financial assets: Classification
On initial recognition, a financial asset is classified as measured at:
– Amortized cost;
– Fair value through other comprehensive income (FVOCI); or
– Fair value through profit or loss (FVPL).

The group does not have any financial asset that is measured and classified at FVPL and FVOCI . All recognized financial assets are classified and measured at amortized cost and equity investments at cost.

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

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

• it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

• its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

• it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

• its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.
All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the group considers:

• contingent events that would change the amount or timing of cash flows;
• terms that may adjust the contractual coupon rate, including variable-rate features;
• prepayment and extension features; and
• terms that limit the group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition

Consolidated Notes to the Financial Statements
For the year March 31, 2023

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The group’s financial assets, which include accounts and other receivables and bank and cash balances, are classified and subsequently measured at amortised cost.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, 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 group’s financial liabilities, which include accounts and other payables, are classified and subsequently measured at amortised cost.

Consolidated Notes to the Financial Statements
For the year March 31, 2023

Impairment of financial assets

The group recognizes an allowance for Expected Credit Loss (ECL) for all debt instruments not held at fair value through profit or loss. ECL's are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held and other credit enhancements that are integral to the contractual terms.

Derecognition

A financial asset is derecognized when:
▪ the right to receive cash flows from the asset has expired;
· the group 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 group has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

A financial liability is derecognized when its contractual obligations are discharged or cancelled, or expire. The group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

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

e. Leases

At the inception of the contract, the group identifies whether the contract contains the lease element as described under the standard.

a) A contract is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
b) Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

Initial Measurement

Right to use Asset

At the commencement date, a lessee shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

- the amount of the initial measurement of the lease liability, as described in paragraph 26;

- any initial direct costs incurred by the lessee;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Lease Liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments, less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (as described in paragraph 28);

(c) amounts expected to be payable by the lessee under residual value guarantees;

(d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and

(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

Subsequent Measurement

Right to use Asset

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 date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined based on the lease term.

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

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

Short-term leases and leases of low-value assets

The group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and for leases of low-value assets. The group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

f. Employees' end of service benefits

The group provides end of service benefits to its employees. The entitlement to these benefits is usually based upon the employees' latest drawn salary and length of service in accordance with the provisions of the United Arab Emirates Federal Labour Law and DMCC Regulations . The expected costs of these benefits are accrued over the period of employment.

g. Provisions

A provision is recognized if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of future economic benefits will be required to settle the obligation.

3 Critical accounting judgements, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

4 Financial risk management

The group management observes domestic and international financial markets, monitors and manages the financial risks relating to the operations of the group through analyzing risks exposure by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk), credit risk, and liquidity risk.

The group seeks to minimize the effects of risks related to financial instruments. The group policies in this regards are set and approved by the management on foreign exchange risk, interest rate risk, credit risk and the investment of excess liquidity.

4.1. Market risk Management

The group activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The group is not exposed to any significant interest rate risks.

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

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Currently the group is mainly exposed to the currency exchange risk related to the transactions denominated in the multi currencies. There is no currency exchange risk related to transactions denominated in the US dollars or currencies linked with it as the AED rate is fixed to the US dollar. The management undertakes suitable procedure to minimize risk associated with transactions denominated in currencies other than AED and USD.

4.2. Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the group. The group obtains information about counterparty's credit worthiness from publicly available information and its own trading records.

The group exposure and the credit rating of its counterparties are continuously monitored and aggregate value of transactions concluded is spread amongst approved counterparties credit exposure is controlled by counterparty limit that are reviewed and approved periodically by the relevant management in the group and, where appropriate, letter of guarantees are obtained from the customer.

Credit risk is primarily related to the trade and other receivable balance which were presented in the balance sheet net of provision from doubtful debt that was estimated by management based on prior experience and prevailing economic condition.

4.3. Liquidity risk management

The group monitor its risk to a shortage of funds using recurring liquidity forecasting tool. This tool considers the maturity of both its financials investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flow from operations.

The group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities by continuously monitoring forecasted and actual cash flows and matching the maturity profit of the financial asset and liabilities.

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5 Property plant and equipment

	Plant & Machinery	Computers & software	Other equipments	Total
Cost				
As at April 01, 2022	7,053,095	162,485	29,868	7,245,448
Additions during the period	-	-	-	-
As at March 31, 2023	**7,053,095**	**162,485**	**29,868**	**7,245,448**
Accumulated depreciation				
As at April 01, 2022	5,492,172	154,361	28,375	5,674,908
Depreciation for the period	184,718	-	-	184,718
As at March 31, 2023	**5,676,890**	**154,361**	**28,375**	**5,859,626**
Net book value				
As at March 31, 2023	**1,376,205**	**8,124**	**1,493**	**1,385,822**
Cost				
As at April 01, 2021	7,053,095	162,485	29,868	7,245,448
Additions during the period	-	-	-	-
As at March 31, 2022	**7,053,095**	**162,485**	**29,868**	**7,245,448**
Accumulated depreciation				
As at April 01, 2021	5,357,564	154,361	28,375	5,540,300
Depreciation for the period	134,608	-	-	134,608
As at March 31, 2022	**5,492,172**	**154,361**	**28,375**	**5,674,908**
Net book value				
As at March 31, 2022	**1,560,923**	**8,124**	**1,493**	**1,570,540**

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	2022 - 23	2021 - 22
6 Other Current Assets		
Prepayments	13,353	24,452
Advances	500	200,000
Accrued interest	8,625	1,365
	22,478	**225,817**
7 Cash and cash equivalents		
Cash at bank	1,068,724	3,722,703
Fixed Deposit	2,750,000	-
	3,818,724	**3,722,703**
8 End of Service Gratuity		
Opening balance	7,852	6,800
Provision for the year	2,908	1,052
Paid during the year	-	-
Closing Balance	**10,760**	**7,852**
9 Other Current Liabilities		
Other payable	2,229	4,024
Provision for expenses	7,186	3,021
	9,415	**7,045**
10 Direct expenses		
Depreciation	-	134,608
	-	**134,608**
11 Other Income		
Interest from bank	15,216	5,568
	15,216	**5,568**
12 Administrative expenses		
Salary and Other Related Benefits	34,309	30,796
Professional Charges	19,119	21,443
Consultancy fees	50,000	20,000
Legal, visa & taxes	12,614	11,298
Rent Expenses	5,323	6,247
Insurance	-	516
Hire charges	-	1,380
Withholding Tax	-	7,634
Miscellanous expenses	395	931
	121,760	**100,245**

(In United States Dollars)

13 Financial Instruments

Credit Risk

Exposure to Credit Risk

The carrying amount of Financial assets which represent the maximum credit risk as at the reporting date is as follows:

Asset head	**2022 - 23**	**2021 - 22**
Cash at Bank	1,068,724	3,722,703
Fixed Deposit	2,750,000	-
Total	**3,818,724**	**3,722,703**

All Financial Assets are supported by adequate collateral or are realisable upon completion of contract/due date. Hence we do not foresee the requirement for provisioning for an expected credit loss for the same.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments.

As at 31 March, 2023

Financial liabilities	**6 months or less**	**More than 6 months**
Other Payables	2,229	-
Total	**2,229**	-

As at 31 March, 2022

Financial liabilities	**6 months or less**	**More than 6 months**
Other Payables	4,024	-
Total	**4,024**	-

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Currency risk

Foreign exchange differences arising on retranslation are recognised in profit or loss for the period in which they arise. Year end balances of the monetary assets and liabilities transacted in USD are disclosed at the year end rate.

14 Contingent liabilities and capital commitment

Except for the ongoing business obligations which are under normal course of business, there has been no other known contingent liability or capital commitment on Company's account as of consolidated balance sheet date.

15 Comparative figures

Comparitive financial information for the year march 2022 were audited by previous auditor of the company. The previous figures have been regrouped or reclassified wherever necessary to the correspondent with current year classification/disclosures.