

THEJO
HATCON INDUSTRIAL SERVICES COMPANY LIMITED
FOREIGN LIMITED
FINANCIAL STATEMENTS
31 MARCH 2024

شركة حسن حسني الصيرفي و شفيق أحمد شروفنا - محاسبون قانونيون
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THEJO HATCON INDUSTRIAL SERVICES COMPANY LIMITED - FOREIGN
LIMITED
FINANCIAL STATEMENTS AT 31 MARCH 2024

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We have audited the balance sheet of

THEJO HATCON INDUSTRIAL SERVICES COMPANY LIMITED - FOREIGN LIMITED

Opinion

We have audited the financial statements of **THEJO HATCON INDUSTRIAL SERVICES COMPANY LIMITED - FOREIGN LIMITED** which comprise the balance sheet as at 31 March 2024, and the statement of comprehensive income, statement of cash flows and statement of changes in partners' equity for the Period from 01 April 2023, up to 31 March 2024, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia and the provisions of Companies' Law and the Company's Articles of Association, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia 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.

H. H. EL-SERAFAI & S.A. SHARROFNA CO.

Certified Accountants

Prof. C. C. No. (323 / 11 / 47)

Saudi Arabia



شركة
حسن جني الصيرفي وشقيق احمد شروفنا
محاسبون قانونيون
سجل شركات مهنية رقم (٤٧/١١/٣٢٣)
المملكة العربية السعودية

Auditor's Responsibilities for the Audit of

THEJO HATCON INDUSTRIAL SERVICES COMPANY LIMITED - FOREIGN LIMITED 31 March 2024 (continued)

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 auditors' 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 auditors' 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.

H. EL - SERAFI & S. AHMED

SHFEEQ A. SHARROFNA
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DAMMAM : 10/04/2024
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س.ت. ٢٠٥٠١٠٥٩٧٨

THEJO HATCON INDUSTRIAL SERVICES COMPANY
LIMITED LIABILITY COMPANY
BALANCE SHEET AT 31 MARCH 2024

	Note	31/03/2024 S.R	31/03/2023 S.R	31/03/2022 S.R
ASSETS				
CURRENT ASSETS				
Cash in hand and at banks	(6)	7 710 117	8 009 376	7 415 644
Accounts Receivable & other Debit balances	(7)	10 125 380	6 513 557	6 399 367
Prepaid expenses	(8)	648 086	403 217	62 854
Inventory		1 692 791	1 574 322	1 577 832
Goods in transit		188 309	33 087	114 128
Total Current Assets		20 364 683	16 533 559	15 569 825
NON CURRENT ASSETS				
Property & Plants - net book value	(9)	463 133	736 408	1 225 427
Total non-current assets		463 133	736 408	1 225 427
Total Assets		20 827 816	17 269 967	16 795 252
LIABILITIES AND SHAREHOLDERS'EQUITY				
CURRENT LIABILITIES				
Accounts payable & Other Credit balances		1 520 125	765 719	782 150
Accrued expenses	(10)	804 510	727 702	1 859 094
Total current liabilities		2 324 635	1 493 421	2 641 244
NON CURRENT LIABILITIES				
Termination provision		914 038	850 575	668 638
Total non-current liabilities		914 038	850 575	668 638
Total Liabilities		3 238 673	2 343 996	3 309 882
SHAREHOLDERS'EQUITY				
Capital	(11)	4 000 000	4 000 000	4 000 000
Statutory reserve		1 200 000	1 200 000	1 126 147
Retained earnings		12 389 143	9 725 971	8 359 223
Total Shareholders'equity		17 589 143	14 925 971	13 485 370
Total liabilities and Shareholders'equity		20 827 816	17 269 967	16 795 252

* The accompanying notes 1 - 12 are an integral part of these financial statements.



THEJO HATCON INDUSTRIAL SERVICES COMPANY
LIMITED LIABILITY COMPANY
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31/03/2024

	Note	For the year ended on 31/03/2024 SR.	For the year ended on 31/03/2023 SR.
Income Activity		10 607 960	10 137 363
Expenses Activity	(12)	(7 202 657)	(7 270 709)
Net Income for activity		3 405 303	2 866 654
<u>ADD</u>			
Other income		1 709	996
Net income before TAX		3 407 012	2 867 650
Provision Tax		(743 840)	(653 512)
Net income for the year		2 663 172	2 214 138
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		2 663 172	2 214 138

* The accompanying notes 1 -12 are an integral part of these financial statements.



THEJO HATCON INDUSTRIAL SERVICES COMPANY
LIMITED LIABILITY COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	For the year ended on 31/03/2024 SR	For the year ended on 31/03/2023 SR
<u>OPERATING ACTIVITIES</u>		
Net income for the year	2 663 172	2 214 138
Adjustments of Non Cash Items :		
Depreciation	421 686	489 019
Termination Provision	63 463	181 937
Changes in Working Capital :		
Inventories	(118 469)	3 510
Goods in transit	(155 222)	81 041
Receivable	(3 611 823)	(114 190)
Prepayments	(244 869)	(340 363)
Payables	754 406	(16 431)
Accruals	76 808	(1 131 392)
Cash Flows from Operating Activities	(150 848)	1 367 269
<u>INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	(148 411)	-
Cash Flows from Investing Activities	(148 411)	-
<u>FINANCING ACTIVITIES</u>		
Partners , A / C	-	(773 537)
Cash Flows from Financing Activities	-	(773 537)
Net Increase (Decrease) in Cash	(299 259)	593 732
Cash at Beginning of the year	8 009 376	7 415 644
Cash at end of the year	7 710 117	8 009 376

* The accompanying notes 1 -12 are an integral part of these financial statements.



THEJO HATCON INDUSTRIAL SERVICES COMPANY

LIMITED LIABILITY COMPANY

STATEMENT OF CHANGES IN PARTNERS EQUITY 31/03/2024

	Share capital SR.	Legal Reserve SR.	Partners' C/A	Retained earnings SR.	Total SR.
Balance at 31/03/2022	4 000 000	1 126 147	-	8 359 223	13 485 370
Net income for the year	-	-	-	2 214 138	2 214 138
Statutory reserve	-	73 853	-	(73 853)	-
Drawings	-	-	-	(773 537)	(773 537)
Balance at 31/03/2023	4 000 000	1 200 000	-	9 725 971	14 925 971
Net income for the year	-	-	-	2 663 172	2 663 172
Statutory reserve	-	-	-	-	-
Balance at 31/03/2024	4 000 000	1 200 000	-	12 389 143	17 589 143

* The accompanying notes 1 -12 are an integral part of these financial statements.



THEJO HATCON INDUSTRIAL SERVICES COMPANY LIMITED - FOREIGN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

1- LEGAL ENTITY AND ACTIVITY

Company Thejo Hatcon Industrial Services is a company with limited liability foreign- registered in Saudi Arabia under commercial registration NO : 2050067485 , date 14/11/1430 H (02/11/2009)

The company operates in the implementation of contracts for construction, installation and maintenance and operation of industrial parks and perform the construction industry and industrial paint and rust treatment and works of art relating to a license under the General Authority for investment number:122030083625 and the date of 28//08/1430.

Address

The company's registered address, Al Khobar, Kingdom of Saudi Arabia.

1-1 The reporting period

The company's reporting period is twelve months from the beginning of APRIL2023 until the end of MARCH 2024.

2- Basis of preparation

2-1 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). These are the Company's first annual financial statements in accordance with IFRS, as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the SOCPA.

2-2 Basis of measurement

These financial statements have been prepared under the historical cost convention using the accrual basis of accounting and going concern concept, as modified by the revaluation of certain financial instruments at fair value and investment in associates at equity method. The obligations of post-employment benefits are accounted for the present value of future obligation. The principal accounting policies are set out below.

2-3 Functional and presentation currency

The Company's financial statements are presented in Saudi Riyals, which is also the Company's functional currency. All figures are rounded off to the nearest Riyal except when otherwise indicated.

3- SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The 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 or in the revision period and future periods if the changed estimates affect both current and future periods.

The key judgments, estimates and assumptions that have a significant impact on the financial statements of the Company are discussed below:

3- SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3-1 Determination of transaction prices

The Company is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Company assesses the impact of any variable Consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

THEJO HATCON INDUSTRIAL SERVICES COMPANY LIMITED - FOREIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024**

3-2 Cost to complete the projects

The Company estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognized. These estimates include, amongst other items, the construction costs, and the cost of meeting other contractual obligations to the customers. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete may affect the results of the subsequent periods.

3-3 Employees' end of service benefits

The cost of end of services benefits is determined using the present value of the future end of service benefits obligations. In making this valuation the company involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and employees' turnover rate. Due to the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date. The most sensitive parameters are discount rate and future salary increases. In determining the appropriate discount rate, management considers the risk-free rate on government bonds for the expected outflows. Future salary increases are based on expected future inflation rates, seniority, promotion, demand and supply in the employment market. The mortality rate is based on publicly available mortality tables.

3-4 Impairment of trade and other receivables

An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. The Company evaluates the quality, aging, guarantees, and creditworthiness of the trade and other receivables on continuous basis to identify the impairment and the appropriate provision amount.

3-5 Useful lives of property and equipment and investment properties

The Company determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage, the obsolescence, periodic repair and maintenance of the asset. The management periodically reviews estimated useful lives and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

3-6 Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

3-7 Going concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

4- SIGNIFICANT ACCOUNTING POLICIES

Following are the significant accounting policies applied by the Company in preparing its financial statements and the opening IFRS statement of financial position as at 01 January 2017 for showing financial statements under IFRS.

4-1 Current versus non-current classification

THEJO HATCON INDUSTRIAL SERVICES COMPANY LIMITED - FOREIGN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

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

Assets

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

4-2 Revenue recognition

The company recognizes the revenue when selling or exchanging goods or services with non symmetric goods or services in a Commercial substance transaction. In this case, the entity must measure the transaction by:

- a. the fair value of goods or services received, net of any cash or cash equivalents transferred;
- b. the fair value of the goods or services given up after adjustment for any cash or cash equivalents transferred, when the amount in (a) above cannot be measured reliably;
- c. The carrying amount of the asset given up after adjustment for any cash or cash equivalent transferred, when the fair value of the asset received or asset given up cannot be measured reliably.

5- SIGNIFICANT ACCOUNTING POLICIES (continued)

Service revenue

The income represent the total value of sales invoices issued during the year.

4-3 Costs and expenses

Cost of revenue

The costs of revenues from construction contract include subcontracts works and direct and indirect costs of construction contract.

Expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of revenue. All other expenses, except for financial charges, depreciation, amortization and impairment loss and those arising from the Company's efforts underlying the sales and marketing functions are classified as general and administrative expenses. Allocations of common expenses between cost of revenue, general and administrative expenses, when required, are made on a consistent basis.

4-4 TAX

Tax is calculated on the statement of financial position date in accordance with the instructions of the General Authority for Zakat and Tax in the Kingdom of Saudi Arabia. Provision for Tax for the Company is charged to the statement of comprehensive income and other comprehensive income. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which the assessment is finalized.

4-5 Foreign currencies

THEJO HATCON INDUSTRIAL SERVICES COMPANY LIMITED - FOREIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024**

Transactions in foreign currencies are initially recorded by the Company in Saudi Riyal (the functional currency) using spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated in Saudi Riyal spot rates of exchange ruling at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of comprehensive income and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of a gain or loss on change in fair value of the item.

4-6 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

4- SIGNIFICANT ACCOUNTING POLICIES (continued)

When parts of an item of property and equipment have materially different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and the net amount is recognized within other income in the statement of comprehensive income.

The cost of replacing a major part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably, and the carrying amount of the replaced part is derecognized. When significant parts of property and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of comprehensive income as incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognized.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Freehold land is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. Depreciation methods, useful lives and residual values are reviewed periodically and adjusted if required.

Capital work in progress

Capital work in progress are carried at cost less any recognized impairment loss. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property and equipment category and is accounted for in accordance with the Company's policies.

4-7 Leases

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

Company as a lessee

THEJO HATCON INDUSTRIAL SERVICES COMPANY LIMITED - FOREIGN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

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

Generally all leases entered by the Company are operating leases for less than 12 months and the leased assets are not recognized in the Company's statement of financial position. Operating lease cost is recognized as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

4-8 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
 - In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the Company.

4- SIGNIFICANT ACCOUNTING POLICIES (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

4-9 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate that reflects current market assessments of the time value of money. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income.

4-10 Financial Instruments

THEJO HATCON INDUSTRIAL SERVICES COMPANY LIMITED - FOREIGN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

A financial instrument is any contract that gives rise financial assets of an entity or financial liabilities or equity instruments of another entity.

Initial recognition – Financial assets and financial liabilities

An entity shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

Financial assets

Initial Measurement

At initial recognition, except for the trade receivables which do not contain a significant financing component, the Company measures a financial asset at its fair value.

In the case of a financial asset not at fair value through profit or loss, financial asset are measured at transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income, if any.

4- SIGNIFICANT ACCOUNTING POLICIES (continued)

The trade receivables that do not contain a significant financing component or which have a maturity of less than 12 months are measured at the transaction price.

Classification and Subsequent measurement

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

- a) Those to be measured subsequently at fair value through income statement, and
- b) Those to be measured subsequently at fair value through statement of other comprehensive income, and
- c) Those to be measured at amortized cost.

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

The category most relevant to the Company is cash and cash equivalent, trade and other receivables, due from related party.

The Company has not classified any financial asset as measured at fair value through income statement and other comprehensive income.

Financial assets measured at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) 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.

Financial assets measured at amortized cost include trade receivables that do not contain a significant financing component or which have a maturity of less than 12 months and measured at the transaction price.

Trade receivables

Trade receivables represents the amounts due from customers for contraction and construction works in the ordinary course of business, the initial recognition of the trade receivables at fair value through the original transaction amount (invoice value) less provision for any uncollectible amounts. Subsequently, an estimate of doubtful debts (except credit loss) is made when there is there is a substantial doubt that the Company will not be able to collect all amounts due and in accordance with the original terms of the transaction. These provisions are charged to the statement of income and the bad debts are written off when incurred based on their determination and approval by the management when collection becomes impossible.

THEJO HATCON INDUSTRIAL SERVICES COMPANY LIMITED - FOREIGN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Reclassification

When and only when, an entity changes its business model for managing financial assets it shall reclassify all affected financial assets in accordance with the above mentioned classification requirements.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Impairment exists if one or more events that has occurred since the initial recognition of the asset has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

4- SIGNIFICANT ACCOUNTING POLICIES (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of comprehensive income.

Financial liabilities

Initial measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through income, loans and borrowings and payables, as appropriate.

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

The Company's financial liabilities include accounts payable and accruals.

Classification and subsequent measurement

Subsequently, an entity measures its financial liabilities depending on the financial liabilities classification as financial liabilities at fair value through income statement or other financial liabilities. The Company has not classified any financial liabilities as measured at fair value through income statement.

Trade payables and accruals

Trade payables are recognized for future payments owed for goods and services received, whether or not invoiced by suppliers.

Reclassification

The company cannot reclassify any financial liability.

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

THEJO HATCON INDUSTRIAL SERVICES COMPANY LIMITED - FOREIGN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

4-11 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash with banks and other short-term highly liquid investments, if any, with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

4-12 Inventory

Inventory are stated cost or net realizable value (whichever is less), and the impairment in net realizable value is recognized as an expense during the period in which the impairment arises. The net realizable value is determined by the estimated selling price of the inventory items during the ordinary course of business minus any additional costs expected to be incurred for the completion, marketing, distribution and sale of the product.

The cost of raw materials and spare parts is determined using the weighted average method.

Damaged goods are valued at net recoverable amount.

The goods purchased for the purpose of resale are valued by purchase cost or the value of the supplier invoice, as well as some expenses necessary to complete the purchase.

4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Net realizable value and inventory valuation

Net realizable value represents the estimated selling price in the normal course of business of the Company less estimated costs of completion of the product and selling and distribution expenses. The net realizable value valuation is performed on an individual basis for similar products having similar purpose and use and marketed in the same geographical area.

A provision is made for slow moving items, obsolete and damaged inventory. The company identifies the impaired and obsolete inventory and reduces its value at physical inventory.

4-13 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the statement of comprehensive income.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Employees' end of service benefits

THEJO HATCON INDUSTRIAL SERVICES COMPANY LIMITED - FOREIGN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

The Company's net obligation in respect of employees' end of service benefits is calculated by estimating the amount of future benefits that employees have earned in the current and prior periods and discounting that amount. The calculation of benefit obligations is performed annually and measured by the present value of the future burden of end of service based on a statistical study prepared by management that includes many assumptions that may differ from the actual developments in the future. These assumptions include determining the discount rate, future salary increases in the light of the company's compensations and awards policy, and the turnover rate of employees.

Due to the nature of the long-term evaluation, the end of service liability is highly sensitive to changes in these assumptions. All assumptions are reviewed once a year or when necessary.

Remeasurements of the benefit liability, and the interest expense and other expenses related to the end of service benefit are recognized in the statement of comprehensive income.

The employees' end of service benefits, takes into account the provisions of the Saudi Arabian Labour Law as well as the Company's policy.

4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision for doubtful debts

A provision is recognized to meet doubtful debts according to the management's study of the aging of the accounts receivables and debts and charged to the statement of comprehensive income.

Provision for obsolete and slow moving inventory

Management estimates the provision for obsolete and slow moving inventory to adjust the inventory value to the net realizable value if the cost of the inventory is not recoverable or the inventory is impaired or obsolescence in whole or in part or if the selling price is lower than the cost or any other factors that cause the recoverable amount to fall below the carrying amount.

5- FIRST-TIME ADOPTION OF IFRS FOR SMES

These are the company's first annual financial statements, prepared in accordance with IFRS FOR SMES as issued by the IASB and endorsed in the Kingdom of Saudi Arabia together with other standards and pronouncements that are issued by SOCPA. For all periods up to and including the year ended 31 December 2017, the Company prepared its financial statements in accordance with the Generally Accepted Accounting Principles ("GAAP") issued by SOCPA ("SOCPA GAAP").

Accordingly, the Company has prepared financial statements which comply with IFRS applicable as at 31 December 2018, together with the comparative period data for the year ended 31 December 2017. In preparing the financial statements, the Company's opening statement of financial position was prepared as at 1 January 2017, which represent the Company's date of transition for IFRS.

These financial statements have been prepared in accordance with the accounting policies described in note 4, except for the exemption availed by the Company in preparing these financial statements in accordance with IFRS FOR SMES exemptions from full retrospective application of IFRS.

In preparing its opening IFRS statement of financial position, as at 1 January 2017, and the financial statements for the year ended 31 December 2017, the Company has analyzed the impact and has made following adjustments to the amounts reported previously in the financial statements prepared in accordance with the SOCPA GAAP.

THEJO HATCON INDUSTRIAL SERVICES COMPANY
LIMITED LIABILITY COMPANY
NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 MARCH 2024

6- CASH IN HAND & AT BANKS

	31/03/2024	31/03/2023
	SR.	SR.
Cash at banks	7 691 748	7 987 059
Cash in hand	18 369	22 317
	<u>7 710 117</u>	<u>8 009 376</u>

7- ACCOUNTS RECEIVABLES & OTHER DEBIT BALANCES

	31/03/2024	31/03/2023
	SR.	SR.
Accounts receivables	10 054 829	6 435 722
Employees advance	70 551	77 835
	<u>10 125 380</u>	<u>6 513 557</u>

8- PREPAID EXPENSES

	31/03/2024	31/03/2023
	SR.	SR.
Medical insurance	38 461	14 964
Others	609 625	388 253
	<u>648 086</u>	<u>403 217</u>



THEJO HATCON INDUSTRIAL SERVICES COMPANY
LIMITED LIABILITY COMPANY
NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 MARCH 2024

9- FIXED ASSETS

the rates of depreciation of fixed assets are as follows:-

Plant & Machinery	10%	furniture & Computers	10%	Tools	25%	
Vehicles	25%	Portables	10%			
	Plant & Machiners	furniture & Computers	Portables	Tools	Vehicles	Totals
<u>COST :</u>	SR.	SR.	SR.	SR.	SR.	SR.
At 31/03/2023	1 270 869	439 366	3 261 915	230 215	798 076	6 000 441
Additions	-	5 063	-	-	143 348	148 411
At 31/03/2024	1 270 869	444 429	3 261 915	230 215	941 424	6 148 852
<u>DEPRECIATION</u>						
At 31/03/2023	916 729	381 823	3 003 200	206 180	756 101	5 264 033
For the year	104 602	26 711	215 267	18 282	56 824	421 686
At 31/03/2024	1 021 331	408 534	3 218 467	224 462	812 925	5 685 719
<u>NET BOOK VALUE :</u>						
At 31/03/2024	249 538	35 895	43 448	5 753	128 499	463 133
At 31/03/2023	354 140	57 543	258 715	24 035	41 975	736 408

10- ACCRUED EXPENSES

	31/03/2024	31/03/2023
	SR.	SR.
Professional fees	-	8 000
Others	-	9 064
TAX & VAT	636 010	447 638
Bonus & provision	168 500	263 000
	<u>804 510</u>	<u>727 702</u>



THEJO HATCON INDUSTRIAL SERVICES COMPANY
LIMITED LIABILITY COMPANY
NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 MARCH 2024

11- CAPITAL

Capital consists of 500 shares of SR.1000 each which are allotted as follows :-

Name of partners	NO.Of shares	Value of shares S.R	Total S.R
HATCON industrial Services-Bahraini	1 960	1 000	1 960 000
THEJO ENGINEERING LIMITED	2 040	1 000	2 040 000
	<u>4 000</u>	<u>1 000</u>	<u>4 000 000</u>

12- EXPENSES ACTIVITY

	31/03/2024 SR.	31/03/2023 SR.
Installation / maintenance	1 910 420	2 633 812
Salaries and wages& bonus	2 056 587	1 851 997
Overtime & food allowances	73 114	53 190
Vacation pay	111 570	72 866
Termination provision	235 217	181 937
GOSI	120 451	104 092
Fuel	59 200	44 948
Vehicle& other maintenance	110 174	147 782
Insurance	399 928	28 474
Rents	544 575	537 800
Rental - staff	214 556	257 513
Electricity & water	39 000	44 695
Medical E.X.P	1 285	1 743
Consumables	27 998	19 870
Entertainment E X P	21 838	10 885
Travelling E.X.P.	180 016	134 615
Telephone & postage	27 752	30 541
Government Fees & Subscriptions	456 725	433 818
Transportation & loading	77 836	67 333
Computer E X P	15 002	17 420
Stationery & printing	4 116	7 477
Vehicles lease / rental EXP.	49 733	31 560
Depreciation	421 686	489 019
Professional Fees	20 500	16 000
Miscellaneous	15 300	15 300
Bad debts	-	25 134
Bank charges	8 078	10 888
	<u>7 202 657</u>	<u>7 270 709</u>



Financial Statements

Thejo Australia Pty Ltd

ABN 75 155 690 645

For the year ended 31 March 2024

Prepared by SLS Advisory

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Balance Sheet

Thejo Australia Pty Ltd As at 31 March 2024

	NOTES	31 MAR 2024	31 MAR 2023
Assets			
Current Assets			
Cash and Cash Equivalents	3	1,504,334	1,208,650
Receivables	4	4,124,178	3,735,791
Inventory	5	1,381,309	1,600,872
Supplier Advances	6	540,725	824,550
Total Current Assets		7,550,546	7,369,863
Non-Current Assets			
Property, Plant and Equipment	7	2,782,507	3,057,463
Lease Assets	8	1,389,548	1,510,414
Total Non-Current Assets		4,172,055	4,567,877
Total Assets		11,722,602	11,937,740
Liabilities			
Current Liabilities			
Provisions	9	705,468	636,010
Payables	10	2,122,916	2,696,403
Financial Liabilities	11	615,391	626,495
Taxation	12	753,075	526,796
Lease Liabilities	13	215,897	183,654
Total Current Liabilities		4,412,747	4,669,357
Non-Current Liabilities			
Financial Liabilities	11	406,735	946,251
Lease Liabilities	13	1,173,651	1,326,760
Total Non-Current Liabilities		1,580,386	2,273,011
Total Liabilities		5,993,133	6,942,369
Net Assets		5,729,469	4,995,372
Equity			
Retained Earnings	15	2,729,469	1,995,372
Share Capital		3,000,000	3,000,000
Total Equity		5,729,469	4,995,372

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Profit and Loss

Thejo Australia Pty Ltd For the year ended 31 March 2024

	NOTES	2024	2023
Income			
Trading Profit	16	6,274,101	4,638,085
Other Income	17	329,202	433,507
Total Income		6,603,303	5,071,593
Expenses			
Employment Costs	18	2,893,288	2,621,515
Occupancy	19	411,928	596,144
Operating	20	295,012	268,253
Other Expenses	21	775,878	834,304
Total Expenses		4,376,106	4,320,216
Earnings Before Interest, Tax, Depreciation and Amortisation		2,227,197	751,376
Interest, Depreciation and Amortisation			
Depreciation and Amortisation Expense	22	784,545	594,480
Finance Costs	23	335,556	139,634
Total Interest, Depreciation and Amortisation		1,120,101	734,114
Net Profit Before Tax		1,107,096	17,262
Income Tax Expense			
Deferred Income Tax Expense		(99,008)	(88,310)
Income Tax Expense		472,007	94,877
Total Income Tax Expense		372,999	6,567
Net Profit After Tax		734,097	10,695
Net Profit After Distributions/Dividends Paid		734,097	10,695

Statement of Cash Flows

Thejo Australia Pty Ltd For the year ended 31 March 2024

	2024	2023
Operating Activities		
Receipts from rental income	-	58,199
Receipts from customers	24,873,988	21,460,388
Payments to suppliers and employees	(21,168,739)	(17,828,702)
Interest received	747	925
Finance costs	-	(139,634)
Income tax refunded/(paid)	(142,471)	257,986
ATO Liabilities (GST, PAYGW, PAYGI)	145,460	(224,005)
Cash receipts from other operating activities	274,955	199,975
Cash payments from other operating activities	(2,840,259)	(2,609,253)
Net Cash Flows from Operating Activities	1,143,681	1,175,880
Investing Activities		
Payment for property, plant and equipment	(317,718)	(891,193)
Net Cash Flows from Investing Activities	(317,718)	(891,193)
Financing Activities		
Proceeds from borrowings	455,888	613,292
Repayment of borrowings	(986,168)	(1,923,835)
Other cash items from financing activities	-	180
Net Cash Flows from Financing Activities	(530,280)	(1,310,363)
Net Cash Flows	295,684	(1,025,677)
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	1,208,650	2,234,327
Net change in cash for period	295,684	(1,025,677)
Cash and cash equivalents at end of period	1,504,334	1,208,650

Notes to the Financial Statements

Thejo Australia Pty Ltd

For the year ended 31 March 2024

1. Corporate Information

Thejo Australia Pty Ltd ("the Company") was incorporated on 14 February 2012 and is domiciled in Australia. The Company's registered office is at Ground Floor, 35 Ventnor Avenue, West Perth, Western Australia, 6005. The main business address of the company is 22 Tayet Link, Bibra Lake, Western Australia, 6163.

The Company provides products and services to support the sale, installation, and maintenance of conveyor belt systems for the commercial, industrial and mining resource industries of Australia (excluding site activities). The Head Company in India, being Thejo Engineering Ltd, holds 90% of the shares in the Company, with the remainder being held by Bridgestone Mining Solutions Australia Pty Ltd.

2. Statement of Significant Accounting Policies

The accounting policies that have been adopted in the preparation of the statements are as follows:

2.1 Basis of Accounting

The directors have determined that the company is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared on an accrual basis and under the historical cost convention. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") IAS1 and Australian Accounting Standards.

2.2 Income Tax

The income tax expense for the year comprises current income tax expense and deferred income tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at 31 March 2024. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Deferred tax is recognised in respect of temporary difference between the carrying amounts of assets and liabilities as per the financial statements and taxation laws. Deferred tax liability is recognised based on the expected manner of realisation or settlement of the difference in carrying amounts applying tax rates enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available to utilise the same.

Current tax assets and liabilities are offset when there is a legally enforceable right to set them off and there is an intent to settle them on a net basis. Deferred tax assets and liabilities are set off when they are related to income-tax levied by the same taxation authority and there is a legally enforceable right to set off current tax assets and liabilities.

2.3 Inventories

Inventories are valued at lower of cost and net realisable value based on FIFO Basis. The cost of inventory comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase consist of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition. Trade discounts, rebates, duty drawbacks and other similar items are deducted in determining the costs of purchase.

These notes should be read in conjunction with the attached compilation report.

2.4 Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal.

2.5 Borrowing Costs

Borrowing costs are interest and other costs that the Company has incurred in connection with the borrowing of funds. Borrowing costs may include but are not limited to interest expenses calculated using the effective interest method, finance charges in respect of finance leases and certain exchange differences from borrowings denominated in a foreign currency. Borrowing costs are amortised across the shorter of either the life of the financial obligation in question, or five years.

2.6 Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for expected credit loss has been created.

2.7 Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 31 March 2024. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

2.8 Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to 31 March 2024. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related costs.

2.9 Provisions

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

2.10 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.11 Revenue Recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customer, when the risk and rewards associated with ownership are transferred to the customer.

Revenue from the rendering of services is recognised upon the delivery of the services to customers.

Revenue from commissions is recognised upon delivery of services to customers.

Revenue from interest is recognised using the effective interest rate method.

Revenue from dividends is recognised when the entity has a right to receive the dividend.

All revenue is stated net of the amount of goods and services tax (GST).

These notes should be read in conjunction with the attached compilation report.

2.12 Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

2.13 Leases

At the inception of a contract, the Company assess if the contract conveys the right to control the use of an identified asset for a specified period of time for a consideration. If so, such contracts are considered to be/to contain lease. Where the Company is a lessee, except in case of short-term leases (tenure less than twelve months) and leases of low value assets, the Company recognises lease liability and right-of-use assets. In the case of leases for short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates being the rate the Company would have to pay to borrow fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Subsequent to the initial measurement, the lease liability is increased by the interest on

the lease liability and reduced by the lease payments made. A lease liability is re-measured when there is a change in the lease term or a change in an index or rate used to determine lease payments, etc., Lease liability and Right-of-use asset are presented separately in the Balance Sheet. In the Statement of Cash Flows, lease payments have been classified as cash flow from financing activities.

2.14 Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate on the date of the transaction. The difference in the rate of exchange, if any, is accounted at the time of realisation or settlement and recognised in the Statement of Profit and Loss. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

	2024	2023
3. Cash and Cash Equivalents		
Bank Accounts		
Electronic Clearing Account	-	(2,471)
St George Bank Account #35298	-	-
Westpac Cheque Account #00825	1,504,334	1,177,204
Westpac USD 214498	-	-
Total Bank Accounts	1,504,334	1,174,734
Other Cash Items		
Deposits	-	33,917
Total Other Cash Items	-	33,917
Total Cash and Cash Equivalents	1,504,334	1,208,650

These notes should be read in conjunction with the attached compilation report.



	2024	2023
4. Receivables		
Current		
Bond	45,970	78,583
Prepayments - Other	54,378	43,200
Prepayments - Rent	32,775	31,667
Sundry Debtors	174,966	295,337
Trade Debtors	3,816,089	3,287,004
Total Current	4,124,178	3,735,791
Total Receivables	4,124,178	3,735,791
	2024	2023
5. Inventory		
Inventories		
Stock on Hand	1,381,309	1,600,872
Total Inventories	1,381,309	1,600,872
Total Inventory	1,381,309	1,600,872
	2024	2023
6. Supplier Advances		
Deposits - Stock	540,725	824,550
Total Supplier Advances	540,725	824,550

These notes should be read in conjunction with the attached compilation report.

	2024	2023
7. Property Plant and Equipment		
Leasehold Improvements		
Leasehold Improvements		
Lease Improvements	92,991	92,991
Less Accumulated Amortisation of Leasehold Improvements	(22,155)	(19,843)
Tayet Link Improvements	441,176	393,894
Less Accumulated Depreciation on Tayet Link Improvements	(12,252)	(1,325)
Total Leasehold Improvements	499,760	465,717
Total Leasehold Improvements	499,760	465,717
Plant and Equipment		
Plant and Equipment	4,021,906	3,848,754
Accumulated Depreciation of Plant and Equipment	(2,000,129)	(1,505,169)
Total Plant and Equipment	2,021,777	2,343,585
Motor Vehicles		
Motor Vehicles	385,029	332,408
Accumulated Depreciation of Motor Vehicles	(262,354)	(235,634)
Total Motor Vehicles	122,675	96,774
Furniture and Fittings		
Furniture & Fittings	164,977	146,150
Accumulated Depreciation of Furniture and Fittings	(71,859)	(54,942)
Total Furniture and Fittings	93,119	91,209
Office Equipment		
Office Equipment	138,346	112,510
Accumulated Depreciation of Office Equipment	(93,170)	(52,333)
Total Office Equipment	45,177	60,177
Total Property Plant and Equipment	2,782,507	3,057,463

These notes should be read in conjunction with the attached compilation report.



	2024	2023
8. Lease Assets		
Right of Use Asset - Tayet Link Bibra Lake	1,389,548	1,510,414
Total Lease Assets	1,389,548	1,510,414
	2024	2023
9. Provisions		
Provision for Annual Leave	480,573	444,591
Provision for Long Service Leave	224,895	191,419
Total Provisions	705,468	636,010
	2024	2023
10. Payables		
Current		
Child Support Payable	2,243	7,392
Payroll Deductions	(11,120)	1,200
Sundry Creditors	11,807	-
Superannuation Payable	51,503	63,863
Trade Creditors	2,069,048	2,644,853
Westpac Credit Card # 7515	-	(25)
Westpac Credit Card #0046	1,434	(374)
Westpac Credit Card #1250	366	413
Westpac Credit Card #1441	(933)	(399)
Westpac Credit Card #1726	(156)	(3,061)
Westpac Credit Card #2176	-	(516)
Westpac Credit Card #3700	-	180
Westpac Credit Card #5784	(122)	10
Westpac Credit Card #6601	(1,403)	(16,779)
Westpac Credit Card #8598	417	(355)
Westpac Credit Card #6560	560	-
Westpac Credit Card #5871	(738)	-
Westpac Credit Card #2036	10	-
Total Current	2,122,916	2,696,403
Total Payables	2,122,916	2,696,403

These notes should be read in conjunction with the attached compilation report.

	2024	2023
11. Financial Liabilities		
Current		
Secured		
Hire Purchase Loan - 1HAW607 + 1HAW608		
Current Hire Purchase Liability - 1HAW607 + 1HAW608	-	12,149
Less Current Unexpired Interest - 1HAW607 + 1HAW608	-	(266)
Total Hire Purchase Loan - 1HAW607 + 1HAW608	-	11,883
Equipment Finance Loan - #4427-004		
Current Liability - Equipment Finance Loan # 4427-004	114,453	114,453
Less Current Unexpired Interest - Westpac Equipment Finance #4427-004	(7,153)	(11,135)
Total Equipment Finance Loan - #4427-004	107,300	103,318
Equipment Finance Loan - #4427-005		
Current Liability - Westpac Loan #4427-005	59,034	141,682
Less Current Unexpired Interest - Westpac Loan #4427-005	(611)	(5,577)
Total Equipment Finance Loan - #4427-005	58,424	136,105
Equipment Finance Loan - #4427-006		
Current Liability - Westpac Loan #4427-006	72,513	108,770
Less Current Unexpired Interest - Westpac Equipment Finance #4427-006	(1,256)	(6,212)
Total Equipment Finance Loan - #4427-006	71,257	102,558
Equipment Finance Loan - #4427-007		
Current Liability - Westpac Loan #4472-007	93,956	140,935
Less Current Unexpired Interest - Westpac Equipment Finance #4427-007	(1,628)	(8,049)
Total Equipment Finance Loan - #4427-007	92,329	132,886
Westpac Loan (Tayet Link Fitout) - #0326		
Current Liability - WBC Account #0326 Tayet Link Fitout	151,506	-
Less Current Unexpired Interest - WBC Account #0326 Tayet Link Fitout	(20,353)	-
Total Westpac Loan (Tayet Link Fitout) - #0326	131,153	-
Equipment Finance Loan - #07751		
Current Liability - Westpac Equipment Finance #07751	-	42,412
Less Current Unexpired Interest - Westpac Equipment Finance #07751	-	(1,092)
Total Equipment Finance Loan - #07751	-	41,320
Westpac Loan - Government Guaranteed		
Current Liability - Westpac Loan Government Guarantee	167,592	139,608
Less Current Unexpired Interest - Westpac Loan Government Guarantee	(12,663)	(41,183)
Total Westpac Loan - Government Guaranteed	154,929	98,425
Total Secured	615,391	626,495
Total Current	615,391	626,495

These notes should be read in conjunction with the attached compilation report.

	2024	2023
Non Current		
Secured		
Equipment Finance Loan - #4427-004		
Non Current Liability - Westpac Loan #4427-004	143,066	257,519
Less Non Current Unexpired Interest - Westpac Loan #4427-004	(3,108)	(10,262)
Total Equipment Finance Loan - #4427-004	139,958	247,258
Equipment Finance Loan - #4427-005		
Non Current Liability - Westpac Loan #4427-005	-	59,034
Less Non Current Unexpired Interest - Westpac Loan #4427-005	-	(611)
Total Equipment Finance Loan - #4427-005	-	58,424
Equipment Finance Loan - #4427-006		
Non Current Liability - Westpac Loan #4427-006	-	72,513
Less Non Current Unexpired Interest - Westpac Equipment Finance #4427-006	-	(1,256)
Total Equipment Finance Loan - #4427-006	-	71,257
Equipment Finance Loan - #4427-007		
Non Current Liability - Westpac Loan #4427-007	-	93,956
Less Non Current Unexpired Interest - Westpac Equipment Finance #4427-007	-	(1,628)
Total Equipment Finance Loan - #4427-007	-	92,329
Westpac Loan (Tayet Link Fitout) - #0326		
Non Current Liability - WBC Account #0326 Tayet Link Fitout	176,757	-
Less Non Current Unexpired Interest - WBC Account #0326 Tayet Link Fitout	(9,038)	-
Total Westpac Loan (Tayet Link Fitout) - #0326	167,720	-
Westpac Loan - Government Guaranteed		
Non Current Liability - Westpac Loan Government Guarantee	111,728	616,864
Less Non Current Unexpired Interest - Westpac Loan Government Guarantee	(12,670)	(139,880)
Total Westpac Loan - Government Guaranteed	99,058	476,984
Total Secured	406,735	946,251
Total Non Current	406,735	946,251
Total Financial Liabilities	1,022,126	1,572,746

These notes should be read in conjunction with the attached compilation report.



	2024	2023
12. Taxation		
ATO Liability	251,980	85,673
Deferred Tax Liability	406,237	410,368
FBT Payable	5,891	16,000
Income Tax Payable / (Refundable)	56,765	(28,537)
Payroll Tax Payable	32,202	43,291
Total Taxation	753,075	526,796

	2024	2023
13. Lease Liabilities		
Current		
Current Liability - Right of Use - Tayet Link Bibra Lake	393,300	380,000
Less Current Unexpired Interest - Right of Use - Tayet Link Bibra Lake	(177,403)	(196,346)
Total Current	215,897	183,654
Non Current		
Non Current Liability - Right of Use - Tayet Link Bibra Lake	1,507,650	1,805,000
Less Non Current Unexpired Interest - Right of Use - Tayet Link Bibra Lake	(333,999)	(478,240)
Total Non Current	1,173,651	1,326,760
Total Lease Liabilities	1,389,548	1,510,414

These notes should be read in conjunction with the attached compilation report.

14. Short and Long Term Borrowing Terms

Westpac Equipment Finance Loan #7004

Financial Institution - Westpac Banking Corporation
 Date of Establishment - 1 June 2021
 Loan Terms - 60 months from Settlement
 Monthly Repayments - \$9,537.75 including interest
 Asset Financed -
 Belle Banne Conveyor Services - WND-150, 3300 Frame, 90 Tonne Capacity
 Belle Banne Conveyor Services - Turning frame 2400 mm belt width including engineering

Westpac Equipment Finance Loan #7005

Financial Institution - Westpac Banking Corporation
 Date of Establishment - 3 September 2021
 Loan Terms - 36 months from Settlement Date
 Monthly Repayments - \$11,806.87 including interest
 Asset Financed -
 Thejo Engineering Ltd - Heater Platen size (mm) 1400 x 1080 - qty 3
 Thejo Engineering Ltd - Heater Platen size (mm) 1400 x 920 - qty 4
 Thejo Engineering Ltd - Heater Platen size (mm) 1400 x 700 - qty 2
 Thejo Engineering Ltd - Strong Board size (mm) 1400 x 1080 - qty 3
 Thejo Engineering Ltd - Strong Board size (mm) 1400 x 920 - qty 4
 Thejo Engineering Ltd - Strong Board size (mm) 1400 x 700 - qty 2
 Thejo Engineering Ltd - Heater Platen 1400x1080 x 1
 Thejo Engineering Ltd - Strong board 1400x1080 x 1
 Thejo Engineering Ltd - Pressure bag 1400 1080 x 2
 Thejo Engineering Ltd - Pressure bag 1400 x 920 x 2
 Thejo Engineering Ltd - Pressure bag 1400 x 700 x 2
 Thejo Engineering Ltd - 11 set of cross beam with end bolts and accessories
 Thejo Engineering Ltd - Pressuring system - 2200mm belt width x 2
 Thejo Engineering Ltd - Control panel with 4 outlet - 2200, belt width x 3
 Thejo Engineering Ltd - Pressure Bag Type Vulcanising Press Belt Width 1500mm
 Thejo Engineering Ltd - Pressure Bag Type Vulcanising Press Belt Width 2200mm
 Thejo Engineering Ltd - Pressure Bag Type Vulcanising Press Belt Width 2600mm

Westpac Equipment Finance Loan #7006

Financial Institution - Westpac Banking Corporation
 Date of Establishment - 9 November 2021
 Loan Terms - 36 months from Settlement Date
 Monthly Repayments - \$9,064.13 including interest
 Asset Financed -
 The Lifting Company - 2x 2021 Belt Winder
 The Lifting Company - 2021 Pulling Winch

Westpac Equipment Finance Loan #7007

Financial Institution - Westpac Banking Corporation
 Date of Establishment - 10 November 2021
 Loan Terms - 36 months from Settlement Date
 Monthly Repayments - \$11,744.55 including interest
 Asset Financed -
 The Lifting Company - 2021 Pinch Drive

Westpac Business Loan Government Guarantee

Financial Institution - Westpac Banking Corporation
 Date of Establishment - 17 January 2022
 Loan Terms - 120 months from first drawdown
 Monthly Repayments - \$11,634 including interest and bank charges
 Working capital finance and SBLC loan repayment, guaranteed by Federal Government of Australia

These notes should be read in conjunction with the attached compilation report.

Westpac Goods Loan - Tayet Link Office Fitout

Financial Institution - Westpac Banking Corporation

Date of Establishment - 16 May 2023

Loan Terms - 36 months from first drawdown

Monthly Repayments - \$12,625.51 including interest and bank charges

Assets Financed -

Various Office Furniture including boardroom tables, corner workstations, chairs etc provided by Absolute Office Comforts.

Electrical services provided by Margetts Electrical.

Westpac USD/AUD Trade Finance Loan

Financial Institution - Westpac Banking Corporation

Date of Establishment - 6 September 2023

Loan Terms - Maturity date agreed upon drawdown of trade finance

Existing terms average 72 days from date of drawdown.

Monthly Repayments - Amount to be repaid in full by date of maturity (within an average of 72 days).

Assets Financed -

Supplier purchases secured by customer orders (varied)

	2024	2023
15. Retained Earnings		
Current Year Earnings	734,097	10,695
Retained Earnings/(Accumulated Losses)	1,995,372	1,984,677
Total Retained Earnings	2,729,469	1,995,372

These notes should be read in conjunction with the attached compilation report.

	2024	2023
16. Trading Profit		
Sales	25,403,073	21,571,652
Opening Stock	(1,600,872)	(1,315,684)
Total Cost of Goods Sold		
Purchases	6,523,284	4,796,694
Direct Costs - Miscellaneous	993,295	650,244
Direct Wages	5,631,264	5,660,125
Direct Wages Reimbursements	-	(15,523)
Direct Superannuation	486,711	460,589
Hire of Plant & Equipment	799,676	799,462
Freight & Cartage	73,763	229,243
Subcontractors	1,827,927	609,801
Mobilization Costs	2,573,488	4,028,120
Total Total Cost of Goods Sold	18,909,409	17,218,755
Closing Stock	1,381,309	1,600,872
Total Trading Profit	6,274,101	4,638,085
	2024	2023

17. Other Income		
Government Subsidies Received	135,505	183,838
Interest Income	747	925
Insurance Recoveries	55,660	9,694
Other Reimbursements	137,291	180,852
Rental Income	-	58,199
Total Other Income	329,202	433,507
	2024	2023

18. Employment Costs		
Annual Leave Expense	29,290	(3,686)
Fringe Benefits Tax	64,567	58,676
Immigration Fees	16,610	50,574
Long Service Leave Expense	33,476	125,978
Payroll Tax	457,070	414,819
Superannuation	183,450	131,075
Wages and Salaries	1,759,929	1,454,196
Worker's Compensation Insurance	348,895	389,881
Total Employment Costs	2,893,288	2,621,515

These notes should be read in conjunction with the attached compilation report.

	2024	2023
19. Occupancy		
Cleaning	23,471	19,457
Electricity	25,366	22,535
Rent	340,920	537,650
Telephone Expenses	22,171	16,502
Total Occupancy	411,928	596,144

	2024	2023
20. Operating		
Forklift Expenses	118,213	99,657
Freight & Courier	-	125
Hire of Equipment	1,540	1,540
Insurance	170,293	157,046
Workshop Expenses	4,966	9,885
Total Operating	295,012	268,253

	2024	2023
21. Other Expenses		
Advertising	14,634	36,736
Accounting Fees	52,250	58,630
Audit Fees	29,746	22,144
Bank Fees	16,265	10,581
Client Gifts	949	-
Computer Expenses	118,065	108,083
Bookkeeping Fees	12,000	12,000
Entertainment	452	4,629
Filing Fees	310	290
Foreign Currency Translation	31,710	(37,240)
Loss on Disposal of Fixed Assets	-	18,948
Legal expenses	73,636	2,388
Motor Vehicle Expenses	34,668	43,328
Printing & Stationery	35,087	23,737
Protective Clothing	51,297	70,560
Repairs and Maintenance	91,589	63,580
Travelling Expenses	46,776	54,150
Staff Training & Welfare	157,486	327,153
Subscriptions	8,959	14,608
Total Other Expenses	775,878	834,304

These notes should be read in conjunction with the attached compilation report.

2024 2023

22. Depreciation and Amortisation Expense

Borrowing Expenses	60	-
Depreciation	592,685	585,499
Immediately Deductible Assets	9,180	8,981
Right of Use Amortisation	182,620	-
Total Depreciation and Amortisation Expense	784,545	594,480

2024 2023

23. Finance Costs

Hire Purchase Charges	51	1,468
Interest Expense - Right of Use	199,597	-
Interest Expense	135,908	138,166
Total Finance Costs	335,556	139,634

24. Receivables Breakdown

Related Parties	Mar-24	Mar-23
Bridgestone Mining Solutions Australia Pty Ltd	158,153	68,374
Thejo Engineering Ltd (India)	-	7,126
Thejo Engineering Ltd (Australia)	-	51,519
All Other Receivables	3,657,936	3,159,985
TOTAL	3,816,089	3,287,004

25. Payables Breakdown

Related Parties	Mar-24	Mar-23
Bridgestone Mining Solutions Australia Pty Ltd	126,877	71,502
Thejo Engineering Ltd (India) - AUD	1,147,377	440,261
Thejo Engineering Ltd (India) - USD - in eq. AUD	-	26,002
Thejo Engineering Ltd (Australia)	-	564,108
All Other Payables - AUD	727,456	1,170,953
All Other Payables - USD - in eq. AUD	67,339	372,028
TOTAL - AUD	2,001,710	2,246,823
TOTAL - USD - in eq. AUD	67,339	398,030

26. Related Party Transactions

	Apr - Mar 2024	Apr - Mar 2023
<i>Bridgestone Mining Solutions Australia Pty Ltd</i>		
Sales	690,389	2,115,037
Purchases	221,941	237,129
<i>Thejo Engineering Ltd (India)</i>		
Sales	4,452	7,126
Purchases	2,074,454	488,576
<i>Thejo Engineering Ltd (Australia)</i>		
Sales/Other Reimbursements	164,182	212,970
Purchases	177,497	600,290

These notes should be read in conjunction with the attached compilation report.

Appropriation Statement

Thejo Australia Pty Ltd

For the year ended 31 March 2024

	2024	2023
Retained Earnings after Appropriation		
Retained Earnings at Start of Year	1,995,372	1,984,677
Profit/(Loss) Before Taxation	1,107,096	17,262
Income Tax Expense	372,999	6,567
Retained Earnings After Appropriation	2,729,469	1,995,372

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Income Tax Reconciliation

Thejo Australia Pty Ltd For the year ended 31 March 2024

2024

Tax Reconciliation

Accounting Profit for Period

Profit for period	1,107,096
Total Accounting Profit for Period	1,107,096

Addbacks

Accounting Depreciation	592,685
Entertainment	452
Superannuation Payable - Closing Balance	51,503
Provision for Annual Leave - Closing Balance	480,573
Provision for Long Service Leave - Closing Balance	224,895
Total Addbacks	1,350,109

Deductions

Superannuation Payable - Opening Balance	63,863
Provision for Annual Leave - Opening Balance	444,591
Provision for Long Service Leave - Opening Balance	191,419
Tax Depreciation	183,974
Total Deductions	883,848

Taxable Profit	1,573,357
Tax Payable	472,007
Net Profit Available for Shareholders	1,101,350

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Directors Declaration

Thejo Australia Pty Ltd For the year ended 31 March 2024

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, present fairly the company's financial position as at 31 March 2024 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: Shine James Varghese _____
DocuSigned by:
shine james varghese
78827DEF5EAE4EF...

Director: Manoj Joseph _____
DocuSigned by:
Manoj Joseph
DE278F815B4C4B9...

Sign date: 30/4/2024



DM Advisory Services – Audit
Chartered Accountant

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001**

TO THE DIRECTORS OF
THEJO AUSTRALIA PTY LTD

I declare that, to the best of my knowledge and belief during the year ended 31 March 2024 there have been:

- i. No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

DM Advisory Services

DM ADVISORY SERVICES

David Makowa

David Makowa
REGISTERED COMPANY AUDITOR

30 April 2024

**INDEPENDENT AUDITORS REPORT****TO THE DIRECTORS OF THEJO AUSTRALIA PTY LTD****Report on the Financial Report**

We have audited the accompanying financial report of Thejo Australia Pty Ltd, being a special purpose financial report set on pages 1 to 22 which comprises the statement of financial position (Balance Sheet) as at 31 March 2024, the statement of financial performance (Income Statement) for the year ended on that date, and a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, and are appropriate to meet the needs of the directors, and unit holders. The directors' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the directors, and unit holders. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the accounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the directors, and unit holders of the entity. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the directors, and unit holders, or for any purpose other than that for which it was prepared.

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

Independence

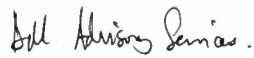
In conducting our audit we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of the company's affairs as at 31 March 2024 in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



DM ADVISORY SERVICES



David Makowa
REGISTERED COMPANY AUDITOR


30 April 2024

AUDIT CERTIFICATE

I hereby certify that i have audited the Financial Statements of M/s THEJO BRASIL COMERCIO E SERVICOS LDA, CNPJ: 20.994.412/0001-00, Rua José Gallo, 27 – Bairro Vista Alegre.- VINHEDO/SP – BRAZIL for the year ending 31st March 2024, which have been prepared by the Management based on International Financial Reporting Standards.

The enclosed Annual Financial Statements comprising Statement of financial position, Statement of Total Comprehensive Income, Statement of Cash flow and the Statement of Change in Equity are in agreement with the Books of Accounts maintained.

In my opinion, the enclosed Financial Statements as on 31st March 2024 gives a true and fair view of the state of affairs of the company as on 31st March 2024 and the Profit, cash flow and details of changes in equity of the company for the year ended on that date.



Aparecido Junior Rodrigues
CPF: 083.055.228-65
CRC/SP: 1SP293073/O-2

THEJO BRASIL COMERCIO E SERVIÇOS LTDA**CNPJ : 20.994.412/0001-00****Rua José Gallo, 27 – Bairro Vista Alegre. Vinhedo – SP CEP 13.285-332****Financial Statement for the financial year ended 31st March 2024.****Statement of Financial Position:**

Amount in Brazilian Real (R\$)

PARTICULARS	Notes	As at 31st March 2024	As at 31st March 2023
Assets			
Non Current Assets:			
Property, Plant and Equipment	3	8272	9938
Current Assets:			
Inventories	4	373332	280731
Trade Receivables	5	4210207	171143
Other current assets	6	636408	336248
Cash and Cash Equivalents	7	3138415	426181
Total Assets		8366634	1224240
Equity and Liabilities			
Equity:			
Share Capital	8	501408	501408
Retained Earnings		6755994	514565
Total Equity		7257402	1015973
Liabilities:			
Current Liabilities:			
Trade Payables	9	449996	153078
Other Current Liabilities	10	659236	55189
Total Liabilities		1109232	208267
Total Equity and Liabilities		8366634	1224240

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<http://serpro.gov.br/assinador-digital>ALBERTO JOSE ROLDAN
Thejo Brasil Comercio E Servicos LTDA
CNPJ: 20.994.412/0001-00Aparecido Junior Rodrigues
CPF: 083.055.228-65
CRC/SP: 1SP293073/O-2

THEJO BRASIL COMERCIO E SERVIÇOS LTDA**CNPJ : 20.994.412/0001-00****Rua José Gallo, 27 – Bairro Vista Alegre. Vinhedo – SP CEP 13.285-332****Financial Statement for the financial year ended 31st March 2024.****Statement of Total Comprehensive Income :**

Amount in Brazilian Real (R\$)

PARTICULARS	Notes	For the year ended 31st March 2024	For the year ended 31st March 2023
Revenue	11	10849636	1703048
Cost of Sales	12	2964631	611155
Gross Profit		7885005	1091893
Other Non-Operating Income	13	72965	1471
Administrative & Other Expenses	14	1470705	478009
Financial Expenses	15	26551	6025
Depreciation	3	1666	779
Profit (Loss) before Taxes		6459047	608551
Income tax		217618	23523
Profit (Loss) for the year		6241429	585028
Other Comprehensive Income		0	0
Total Comprehensive Income for the year		6241429	585028

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ALBERTO JOSE ROLDAN

Thejo Brasil Comercio E Servicos LTDA

CNPJ: 20.994.412/0001-00

Aparecido Junior Rodrigues

CPF: 083.055.228-65

CRC/SP: 1SP293073/O 2

THEJO BRASIL COMERCIO E SERVIÇOS LTDA**CNPJ : 20.994.412/0001-00****Rua José Gallo, 27 – Bairro Vista Alegre. Vinhedo – SP CEP 13.285-332****Financial Statement for the financial year ended 31st March 2024.****Statement of changes in Equity****Amount in Brazilian Real (R\$)**

PARTICULARS	Share Capital	Retained Earnings	Total Equity
Balance as at 31st March 2022	501408	-70463	430945
Profit (Loss) for the year	0	585028	585028
Other Comprehensive Income	0	0	0
Balance as at 31st March 2023	501408	514565	1015973
Profit (Loss) for the year	0	6241429	6241429
Other Comprehensive Income	0	0	0
Balance as at 31st March 2024	501408	6755994	7257402

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CPF: 083.055.228-65
CRC/SP: 1SP293073/O-2

THEJO BRASIL COMERCIO E SERVIÇOS LTDA
CNPJ : 20.994.412/0001-00
Rua José Gallo, 27 – Bairro Vista Alegre. Vinhedo – SP CEP 13.285-332

Financial Statement for the financial year ended 31st March 2024.

Statement of Cash Flow

PARTICULARS	For the year ended 31st March 2024	For the year ended 31st March 2023
Cash flow from Operating activities		
Profit (Loss) of the Period	6459047	608551
Adjustments for :-		
Depreciation	1666	779
Interest Received	-20057	-1471
Financial Expenses	26551	6025
<i>Operating profit before working capital changes</i>	<i>6467208</i>	<i>613884</i>
Adjustments for :-		
Trade Receivables	-4039064	30767
Other Current Assets	-300160	-65339
Inventory	-92601	-180241
Trade Payables	296918	-66304
Other Current Liabilities	604046	20929
<i>Cash generated from operations</i>	<i>2936347</i>	<i>353698</i>
Direct Taxes Paid	217618	23523
Net cash from (Used) in operating activities- (A)	2718729	330175
Cash flow from Investing activities		
Purchase of Fixed Assets	0	-9219
Interest Received	20057	1471
Net cash from (Used) in Investing activities -(B)	20057	-7747
Cash flow from Financing activities		
Increase / (Decrease) in share capital/Share Premium	0	0
Financial expenses paid	-26551	-6025
Net cash from (Used) in Financing activities -(C)	-26551	-6025
Net increase/(Decrease)- (A+B+C+)	2712234	316403
Opening cash & Cash equivalents	426181	109778
Closing cash & Cash equivalents	3138415	426181

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ALBERTO JOSE ROLDAN
Thejo Brasil Comercio E Servicos LTDA
CNPJ: 20.994.412/0001-00

Aparecido Junior Rodrigues
CPF: 083.055.228-65
CRC/SP: 1SR293073/O-2

THEJO BRASIL COMERCIO E SERVIÇOS LTDA
CNPJ : 20.994.412/0001-00
Rua José Gallo, 27 – Bairro Vista Alegre. Vinhedo – SP CEP 13.285-332

Financial Statement for the financial year ended 31st March 2024.

Notes forming part of the financial statements

Note 1 - THEJO BRASIL COMMERCIO E SERVICOS LTDA ("the Company") is a company incorporated under the laws of Brasil with Registration Number: CNPJ:20.994.412/0001-00 MATRIZ, on 8th September 2014. The domicile is AVENIDA BRASIL, 839, SALA 04 - JD BRASIL - VINHEDO/SP - BRASIL. The Company is a subsidiary of Thejo Engineering Limited ("the Parent"), a Company incorporated in India. The Parent holds 5,01,406 shares out of the total issued shares of 5,01,408 shares. The main objective of the Company is to sell products used in the core sector industries for Bulk Material Handling, Mineral Processing and Corrosion Protection.

Note 2 - Basis of Presentation of the Financial statements

A) Financial Statements

The financial statements as on March 31, 2024 have been prepared by the Management using applicable IFRS standards, comprising Statement of financial position, statement of total comprehensive income, statement of cash flows and statement of changes in equity.

Accounting Policies.

The Following describes the main accounting policies adopted in the preparation of these Financial statements:

B) Preparation Basis

The financial statements are prepared under historical cost method under accrual basis.

C) Statement of Cash Flow

The statement of cash flow is prepared under indirect method.

D) Estimations

For the preparation of Financial statements, the Management, makes certain judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumption are based on experience and other factors that are reasonable under the circumstances. Actual results may vary from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to these estimates are recognised in the period in which they are revised

E) Foreign currency Transactions

Transactions in Foreign currency are recorded at the exchange rate on the date of transaction. The difference in the exchange rate, if any, is duly accounted at the time of settlement.

THEJO BRASIL COMERCIO E SERVIÇOS LTDA
CNPJ : 20.994.412/0001-00
Rua José Gallo, 27 – Bairro Vista Alegre. Vinhedo – SP CEP 13.285-332

Financial Statement for the financial year ended 31st March 2024.

Notes forming part of the financial statements

F) Inventory

Inventories are valued at lower of cost or net realisable value based on FIFO method. The cost of Inventory comprises of all cost of purchase, conversion and other cost incurred in bringing the inventory to the present location and condition. The cost of purchase comprises of purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the purchase. Duty drawbacks, rebates Trade discounts are deducted in determining the cost of purchase.

G) Trade and Other Receivables

Trade receivables and other receivables are recognised at the transaction value. They are subject to normal credit terms and do not bear any interest.

H) Property Plant and Equipment

Property ,Plant and Equipment is initially recorded at cost of acquisition. They are reviewed to ensure that the carrying amount is not in excess of the recoverable amount from these assets.

I) Trade and Other Payables

Trade and other payables are recognised at the Transaction Price and they represent the liabilities for goods and services received by the Company that remain unpaid. They are subject to normal credit terms and do not bear interest.

J) Accruals /Provisions

The Accruals/Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources including economic benefits will be required to settle the obligation and a reliable estimation of the amount could be made.

K) Revenue Recognition.

Revenue from sale of goods and services are recognized when control of the goods/services are transferred to the buyer as per the terms of the contract. Revenue is measured at fair value of the consideration received or receivable, net of returns, trade discounts, volume rebates and taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, goods and services tax, etc. Interest income is recognized using the effective interest rate method.

L) Employee Benefits

Provision is made for employee entitlements arising from services rendered by employees. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related costs.

THEJO BRASIL COMERCIO E SERVIÇOS LTDA

CNPJ : 20.994.412/0001-00

Rua José Gallo, 27 – Bairro Vista Alegre. Vinhedo – SP CEP 13.285-332

Financial Statement for the financial year ended 31st March 2024.

Notes forming part of the financial statements

Note 3

Amount in Brazilian Real (R\$)

Property, Plant and Equipment (2023-24)

	Gross block				Depreciation				Net
	Op Bal	Add	Disp	Closing	Op Bal	Add	Disp	Closing	
	01-04-2023			31-03-2024	01-04-2023			31-03-2024	31-03-2024
Plant & Machinery/Equipment	14227	0	0	14227	4288	1666	0	5954	8272
Total	14227	0	0	14227	4288	1666	0	5954	8272

Property, Plant and Equipment (2022-23)

	Gross block				Depreciation				Net
	Op Bal	Add	Disp	Closing	Op Bal	Add	Disp	Closing	
	01-04-2022			31-03-2023	01-04-2022			31-03-2023	31-03-2023
Plant & Machinery/Equipment	5008	9219	0	14227	3509	779	0	4288	9938
Total	5008	9219	0	14227	3509	779	0	4288	9938

THEJO BRASIL COMERCIO E SERVIÇOS LTDA

CNPJ : 20.994.412/0001-00

Rua José Gallo, 27 – Bairro Vista Alegre. Vinhedo – SP CEP 13.285-332

Financial Statement for the financial year ended 31st March 2024.

Notes forming part of the financial statements

Note 4

Inventories

	As at 31st March 2024	As at 31st March 2023
Merchandise in Hand	373332	280731
Total	373332	280731

Note 5

Trade Receivables

	As at 31st March 2024	As at 31st March 2023
Financial Instruments:-		
- Customer invoices	4210207	171143
Total	4210207	171143

Classification of Current & Non current

	As at 31st March 2024	As at 31st March 2023
Current		
- Customer invoices	4210207	171143
Non Current		
- Customer invoices	0	0
Total	4210207	171143

Note 6

Other Current Assets

	As at 31st March 2024	As at 31st March 2023
Tax Credits	500897	293096
Advance for supplies and expenses	119611	0
Advance to Employees	0	27252
Rental Deposit	15900	15900
Total	636408	336248

THEJO BRASIL COMERCIO E SERVIÇOS LTDA

CNPJ : 20.994.412/0001-00

Rua José Gallo, 27 – Bairro Vista Alegre. Vinhedo – SP CEP 13.285-332

Financial Statement for the financial year ended 31st March 2024.

Notes forming part of the financial statements

Note 7

Cash and Cash Equivalents

	As at 31st March 2024	As at 31st March 2023
Bank Balance	1918358	426181
Cash Equivalent Deposit	1220057	0
Total	3138415	426181

Note 8

Sharecapital

	As at 31st March 2024	As at 31st March 2023
Paid up Share Capital	501408	501408

Note 9

Trade Payables

	As at 31st March 2024	As at 31st March 2023
Financial Instruments (Current)		
- Invoices pending, Suppliers	449996	153078
Total	449996	153078

Note 10

Other Current Liabilities

	As at 31st March 2024	As at 31st March 2023
Taxes & Social Security Contribution Payable	467769	40943
Salaries & Retainer Payable	42075	8882
Accrued Liabilities	149392	5364
Total	659236	55189

THEJO BRASIL COMERCIO E SERVIÇOS LTDA

CNPJ : 20.994.412/0001-00

Rua José Gallo, 27 – Bairro Vista Alegre. Vinhedo – SP CEP 13.285-332

Financial Statement for the financial year ended 31st March 2024.

Notes forming part of the financial statements

Note 11

Revenue

	As at 31st March 2024	As at 31st March 2023
Sale of Products	10849636	1703048
Total	10849636	1703048

Note 12

Cost of Sales

	As at 31st March 2024	As at 31st March 2023
Opening Stock	280731	100490
Purchases	3057232	791396
Less: Closing Stock	373332	280731
Total	2964631	611155

Note 13

Other Non-operating Income

	As at 31st March 2024	As at 31st March 2023
Financial Income	20057	1471
Other Income	52908	0
Total	72965	1471

Note 14

Administrative and Other expenses

	As at 31st March 2024	As at 31st March 2023
Accounting Fees	21304	17028
Professional and consultation charges	420464	129994
Computer Services	1097	1593
Energy consumption	997	1538
Expenses C/ Notary	40	16
Bonuses & Gratuities	100950	0
Misc Insurance	2546	2152
Payroll charges	52000	31328
Postal expenses	739	435

THEJO BRASIL COMERCIO E SERVIÇOS LTDA

CNPJ : 20.994.412/0001-00

Rua José Gallo, 27 – Bairro Vista Alegre. Vinhedo – SP CEP 13.285-332

Financial Statement for the financial year ended 31st March 2024.

Notes forming part of the financial statements

Printed and Expedient Material	2242	728
Property rentals	59395	64468
Salaries/ Wages	236349	142700
Sales Commission	164895	0
Service Charges	109785	16639
Shipping & Returns	1303	2330
Snacks and Meals	2358	4414
Staff Health and Basic Care	2492	1586
Social Contribution	129899	21170
Staff Welfare Expenses	0	1210
Telephone expenses office	6091	5834
Travel Expenses	49785	28157
Use and Consumption Material	2173	985
Vehicle Rentals	3363	0
Urban Territorial Property Tax	1232	528
Vehicle Fuel, Maintenance, Driving Cost, Parking, etc	13883	300
Publicity, Sales Promotion, Samples, etc	4033	0
Office Maintenance & Cleaning Services	3695	1373
Warehouse Services	11482	0
Misc Expenses	66113	1504
Total	1470705	478009

Note 15

Financial Expenses

	As at 31st March 2024	As at 31st March 2023
Banking Expenses	26551	6025
Total	26551	6025

Auditors' Report

To the Shareholders and The Board of Directors of Thejo Engineering Latino America SpA.

Audit Report on the Financial Statements for the year ended 31st March 2024.

We have audited the accompanying financial statements of Thejo Engineering Latino America SpA., Chile. These financial statements have been prepared in compliance with the applicable International Financial Reporting standards (IFRS) by the Management.

For the purpose of our audit, we have reviewed the books of accounts and other related documents as deemed necessary. Based on our audit, in our opinion, the financial statements present fairly, in all material respects, the financial position of Thejo Engineering Latino America SpA., as of March 31, 2024 and the results of its operation, changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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Accountant Auditor and Taxes.

Claudio Aguilera Rios.

RUT number: 20319176-6



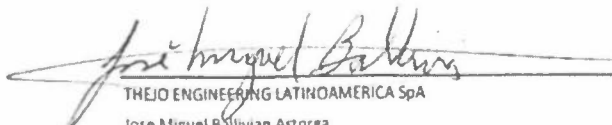
THEJO ENGINEERING LATINOAMERICA SpA
Av.La Dehesa No.181 Office 312 - Lo Barnechea

Financial Statement for the year ended 31st March 2024.

Statement of Financial Position:

Amount in Chilean Pesos (CLP)

Particulars	Notes	As at 31st March 2024	As at 31st March 2023
Assets			
Non Current Assets:			
Property, Plant and Equipment	3	0	0
Current Assets:			
Inventories	4	1,06,20,23,757	90,85,82,875
Trade Receivables	5	13,21,79,435	3,40,18,214
Other Receivables	6	-	-
Other current assets	7	5,09,06,391	9,46,75,452
Cash and Cash Equivalents	8	9,62,47,090	20,81,27,893
Total Assets		1,34,13,56,673	1,24,54,04,434
Equity and Liabilities			
Equity:			
Share Capital	9	68,97,00,000	68,97,00,000
Retained Earnings		-6,99,94,933	-26,89,73,274
Total Equity		61,97,05,067	42,07,26,726
Liabilities:			
Current Liabilities:			
Trade Payables	10	60,44,47,047	63,93,61,547
Other Current Liabilities	11	11,72,04,559	18,53,16,162
Total Liabilities		72,16,51,606	82,46,77,709
Total Equity and Liabilities		1,34,13,56,673	1,24,54,04,434


THEJO ENGINEERING LATINOAMERICA SpA
Jose Miguel Ballivan Astorga
Manager Director

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Accountant Auditor and Taxes.

Claudio Aguilera Rios.

RUT number: 20319176-6



THEJO ENGINEERING LATINOAMERICA SpA

Av.La Dehesa No.181 Office 312 - Lo Barnechea

Financial Statement for the year ended 31st March 2024.

Statement of Profit and Loss and Other Comprehensive Income :

Amount in Chilean Pesos (CLP)

Particulars	Notes	For the year ended 31st March 2024	For the year ended 31st March 2023
Revenue	12	1,58,27,60,300	1,81,53,67,867
Cost of Sales	13	76,52,24,283	1,05,46,40,641
Gross Profit		81,75,36,017	76,07,27,226
Other Non-Operating Income	14	1,75,96,835	2,98,61,022
Administrative & Other Expenses	15	63,41,17,320	51,54,20,435
Financial Expenses	16	20,37,190	35,49,659
Depreciation	3	-	13,30,300
Total Expenses		63,61,54,510	52,03,00,394
Profit (Loss) before Taxes		19,89,78,342	27,02,87,855
Income tax		-	-
Profit (Loss) for the year		19,89,78,342	27,02,87,855
Other Comprehensive Income (FCTR)		-	-
Total Comprehensive Income for the year		19,89,78,342	27,02,87,855


THEJO ENGINEERING LATINOAMERICA SpA
Jose Miguel Ballivian Astorga
Manager Director

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THEJO ENGINEERING LATINOAMERICA SpA
Av.La Dehesa No.181 Office 312 - Lo Barnechea

Financial Statement for the year ended 31st March 2024.

Statement of changes in Equity

Amount in Chilean Pesos (CLP)

Particulars	Share Capital	Retained Earnings	Others - FCTR	Total Equity
Balance as at 31st March 2022	68,97,00,000	-53,92,61,129	-	15,04,38,871
Profit (Loss) for the year	-	27,02,87,855	-	27,02,87,855
Other Comprehensive Income	-	-	-	-
Balance as at 31 st March 2023	68,97,00,000	-26,89,73,274	-	42,07,26,726
Profit (Loss) for the Year ended 31st March 2024	-	19,89,78,342	-	19,89,78,342
Other Comprehensive Income	-	-	-	-
Balance as at 31st March 2024	68,97,00,000	-6,99,94,933	-	61,97,05,067

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THEJO ENGINEERING LATINOAMERICA SpA
Jose Miguel Ballivian Astorga
Manager Director

Accountant Auditor and Taxes.
Claudio Aguilera Rios.
RUT number: 20319176-6



THEJO ENGINEERING LATINOAMERICA SpA


Av.La Dehesa No.181 Office 312 - Lo Barnechea

Financial Statement for the year ended 31st March 2024.

Statement of Cash Flow

Amount in Chilean Pesos (CLP)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Cash flow from Operating activities		
Profit (Loss) of the Period	19,89,78,342	27,02,87,855
Adjustments for :-		
Depreciation	0	13,30,300
Interest Received	-1,18,50,861	-69,62,679
Financial Expenses	20,37,190	35,49,659
Other Non-cash items	0	0
Operating profit before working capital changes	18,91,64,671	26,82,05,135
Adjustments for :-		
Trade Receivables	-9,81,61,221	3,63,20,042
Other Receivables	0	0
Other Current Assets	4,37,69,061	-6,01,49,827
Inventory	-15,34,40,882	-28,56,07,133
Trade Payables	-3,49,14,500	-8,92,69,958
Other Current Liabilities	-6,81,11,603	14,82,39,352
Cash generated from operations	-12,16,94,474	1,77,37,610
Direct Taxes Paid	0	0
Net cash from (Used) in operating activities- (A)	-12,16,94,474	1,77,37,610
Cash flow from Investing activities		
Purchase of Fixed Assets	0	0
Interest Received	1,18,50,861	69,62,679
Net cash from (Used) in Investing activities -(B)	1,18,50,861	69,62,679
Cash flow from Financing activities		
Increase / (Decrease) in share capital/Share Premium	0	0
Financial expenses paid	-20,37,190	-35,49,659
Net cash from (Used) In Financing activities -(C)	-20,37,190	-35,49,659
Net increase/(Decrease)- (A+B+C)	-11,18,80,803	2,11,50,630
Opening cash & Cash equivalents	20,81,27,893	18,69,77,263
Closing cash & Cash equivalents	9,62,47,090	20,81,27,893


 THEJO ENGINEERING LATINOAMERICA SpA
 Jose Miguel Ballivian Astorga
 Manager Director

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Accountant Auditor and Taxes.

Claudio Aguilera Rios.

RUT number: 20319176-6

THEJO ENGINEERING LATINOAMERICA SpA

Av.La Dehesa No.181 Office 312 - Lo Barnechea

Financial Statement for the year ended 31st March 2024.

Notes forming part of the financial statements

Note 1 - THEJO ENGINEERING LATINOAMERICA SpA ("the Company") is a Company limited by shares, Tax ID 76.427.784-8, whose domicile is located in Av.La Dehesa No.181 Office 312 - Lo Barnechea, Santiago City, Chile. The Company was incorporation on November 14,2014. The Company is a subsidiary company of Thejo Engineering Limited, incorporated in India, holding 725 out of 726 shares issued and allotted. The main objective of the Company is to sell products used in the core sector industries for Bulk Material Handling, Mineral Processing and Corrosion Protetion.

Note 2 - Basis of Presentation of the Financial statements and applied accounting criteria.

A) Financial Statements

The Information contained in the financial statements as on March 31, 2024 is prepared using applicbale IFRS standards by the Management

B) Estimations

The prepration of Financial statements requires management, from time to time make judgements, Estimates and Assumptions that affect the application of policies and reported amounts of assets , liabilities, income and expenses. These estimates and associated assumption are based on experience and various other factors that are belived to be reasonable under the circumstances. Actual results may varry from these estimates.These estimates and assumptions are reviewed on an ongoing basis.Revisions to these estimates are recognised in the period in which these estimates are revised and in any future periods affected.

C) Accounting Policies.

The Following describes the main accounting policies adopted in the prepration of these Financial statements.

Presentation of Financial Statement.

D) Statement of Cash Flow.

The Company has chosen to present its statement of cash flow in accordance with the indirect method.

E) Foreign currency Transactions

Transactions in Foreign currency are recorded at the exchange rate on the date of transaction. The difference in the exchange rate, if any, is duly accounted at the time of settlement.

F) Accruals/Provisions

The Accruals/Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, and it is propable that an outflow of resources including economic benefits will be required to settle the obligation and a reliable estimation of the amount of the obligation can be made.

G) Revenue Recognition.

Revenue from sale of goods and services are recognized when control of the goods/services are transferred to the buyer as per the terms of the contract. Revenue is measured at fair value of the consideration received or receivable, net of returns, trade discounts, volume rebates and taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, goods and services tax, etc. Interest income is recognized using the effective interest rate method.

H) Inventory

Inventories are valued at cost or net realisable value, whichever is lower, based on FIFO method. The cost of Inventory comprises of all cost of purchase, conversion and other cost incurred in bringing the inventory to the present location and condition. The cost of purchase comprises of purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the purchase. Duty drawbacks, rebates Trade discounts are deducted in determining the cost of purchase.

I) Property Plant and Equipment.

Property ,Plant and Equipment is initially recorded at cost of acquisition. They are reviewed to ensure that the carrying amount is not in excess of the recoverable amount from these assets.

J) Trade and Other Receivables

Trade receivables and other receivables are recognised at the nominal transaction value without taking into account the time value of money.

K) Trade and Other Payables

Trade and Other payables represent the liabilities for goods and services received by the company that remain unpaid. Trade payables are recognised at the Transaction Price. They are subject to normal credit terms and do not bear interest.

L) Employee Benefits

Provision is made for employee entitlements arising from services rendered by employees. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related costs.

THEJO ENGINEERING LATINOAMERICA SpA

Av.La Dehesa No.181 Office 312 - Lo Barnechea

Financial Statement for the year ended 31st March 2024.

Notes forming part of the financial statements

Note 3

Property, Plant and Equipment

Amount in Chilean Pesos (CLP)

	Gross block					Depreciation					Net
	Opening	Add	Disp	Forex Diff	Closing	Opening	Add	Disp	Forex Diff	Closing	
	01-04-2023				31-03-2024	01-04-2023				31-03-2024	
Plant, Machinery & Equipments	15,27,182	-	-	93	15,27,275	15,27,181	-	-	93	15,27,274	- 0
Furniture & Fittings	22,02,827	-	-	134	22,02,961	22,02,827	-	-	134	22,02,961	0
Computer	18,58,827	-	-	113	18,58,940	18,58,827	-	-	113	18,58,940	- 0
Total	55,88,836	-	-	340	55,89,176	55,88,836	-	-	340	55,89,176	0

THEJO ENGINEERING LATINOAMERICA SpA

Av.La Dehesa No.181 Office 312 - Lo Barnechea

Financial Statement for the year ended 31st March 2024.

Notes forming part of the financial statements

Amount in Chilean Pesos (CLP)

Note 4

Inventories

	As at 31st March 2024	As at 31st March 2023
Merchandise in Hand	864444220	792745034
Merchandise in transit	197579537	115837841
Total	1062023757	908582875

Note 5

Trade Receivables

	As at 31st March 2024	As at 31st March 2023
Financial Instruments:-		
- Customer invoices	132179435	34018214
Total	132179435	34018214

Classification of Current & Non current

	As at 31st March 2024	As at 31st March 2023
Current		
- Customer invoices	132179435	34018214
Non Current		
- Customer invoices	0	0
Total	132179435	34018214

Note 6

Other Receivables

	As at 31st March 2024	As at 31st March 2023
Financial Instruments:-		
- Employee Advances	0	0
- Rental Office Guarantee	0	0
Total	0	0

Classification of Current & Non current

	As at 31st March 2024	As at 31st March 2023
Current		
- Employee Advances	0	0
- Rental Office Guarantee	0	0
Non Current		
- Employee Advances	0	0
- Rental Office Guarantee	0	0
Total	0	0

Note 7

Other Current Assets

	As at 31st March 2024	As at 31st March 2023
Value added taxation Credit	50906391	94675452
Total	50906391	94675452

THEJO ENGINEERING LATINOAMERICA SpA

Av.La Dehesa No.181 Office 312 - Lo Barnechea

Financial Statement for the year ended 31st March 2024.

Notes forming part of the financial statements

Amount in Chilean Pesos (CLP)

Note 8

Cash and Cash Equivalents

	As at 31st March 2024	As at 31st March 2023
Bank Balance	34492725	120467930
Deposits (Cash Equivalents)	61754365	87659963
Total	96247090	208127893

Note 9

Sharecapital

	As at 31st March 2024	As at 31st March 2023
Paid up Share Capital	689700000	689700000

Note 10

Trade Payables

	As at 31st March 2024	As at 31st March 2023
Financial Instruments (Current)		
- Invoices pending, Suppliers	604447047	639361547
Total	604447047	639361547

Note 11

Other Current Liabilities

	As at 31st March 2024	As at 31st March 2023
WH Taxes payable	0	4210738
Accrued liabilities	4035667	76354176
Value added tax Payable	50031588	101177570
Social Security Payable	0	3573678
CAP Contract outstanding liabilities & provision	54931518	0
Cambel Contract outstanding liabilities & provision	8205786	0
Total	117204559	185316162

Note 12

Revenue

	For the year ended 31st March 2024	For the year ended 31st March 2023
Product sales	1582760300	1815367867
Service sales	0	0
Total	1582760300	1815367867

Note 13

Cost of Sales

	For the year ended 31st March 2024	For the year ended 31st March 2023
Opening Stock	792745034	518258272
Opening Stock in Transit	115837841	104717469
Add: Purchase	918665166	1340247773
Less: Closing Stock	864444220	792745034
Less: Closing Stock in Transit	197579537	115837841
Total	765224283	1054640641

THEJO ENGINEERING LATINOAMERICA SpA

Av.La Dehesa No.181 Office 312 - Lo Barnechea

Financial Statement for the year ended 31st March 2024.

Notes forming part of the financial statements

Amount in Chilean Pesos (CLP)

Note 14

Other Non-operating Income

	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest Received	11850861	6962679
Exchange Difference (Gain)	5745974	22898344
Total	17596835	29861022

Note 15

Other Non-operating Expenses

	For the year ended 31st March 2024	For the year ended 31st March 2023
Salaries	392369177	324748349
Social Security	16363436	11628262
Training	1720000	160232
Accounts, Legal advice & Professional fee	10519960	11525651
Advertisement, Promotions & subscriptions	11035338	13532891
Marketing Expenses	3657492	0
Car rental	11984082	6320085
Vehicle Fuel	7291025	2065650
Computer/Computing Expenses	653948	928240
General Expenses	7450357	5051648
Insurance Expense	5874199	2711314
legal, Patent ,Municipal Tax	190767	113662
Office expenses & Courier	9879546	9034557
Office lease Rentals	12934198	9778885
Staff Welfare	15472511	0
Telephone ,Mobile, Internet	895877	1031641
Travel Expenses	28782828	32551557
Warehouse Storage	76203809	60098035
Freight Services	20838770	24139774
Total	634117320	515420435

Note 16

Financial Expenses

	For the year ended 31st March 2024	For the year ended 31st March 2023
Banking Expenses	2037190	3549659
Total	2037190	3549659

TE GLOBAL FZ-LLC
RAS AL KHAIMAH ECONOMIC ZONE
RAS AL KHAIMAH
UNITED ARAB EMIRATES
FINANCIAL STATEMENTS AND REPORT OF THE AUDITOR
FOR THE PERIOD OF SIX MONTHS ENDED
31 MARCH, 2024

TE GLOBAL FZ-LLC
RAS AL KHAIMAH ECONOMIC ZONE
RAS AL KHAIMAH
UNITED ARAB EMIRATES
31 MARCH, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
Messrs. TE GLOBAL FZ-LLC
WFZ03-22
Shed No.03
Al Hamra Industrial Zone-FZ
Ras Al Khaimah,
United Arab Emirates

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying financial statements of Messrs. TE GLOBAL FZ-LLC, Ras Al Khaimah (The Company), which comprise the statement of financial position as at 31 March, 2024 the statement of profit or loss and other comprehensive income, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements, which are the first financial statements issued by the Company since its incorporation, present fairly, in all material respects, the financial position of Messrs. TE GLOBAL FZ-LLC as at 31 March, 2024, 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 (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 within the meaning of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Restriction of Use

We draw the attention to Note 3 to the special purpose financial statements, which describe the basis of accounting. The financial statements are prepared to present the same for the information of the Shareholders of the Establishment and to submit to any prospective investors. Hence our report should not be used or distributed to any parties other than those mentioned above. Our opinion is not modified in respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control that the management determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the 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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of 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 auditor's report. 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 are required to 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

Also in our opinion:

- i) We have obtained all the information we considered necessary for the purposes of our audit;
- ii) The Company has maintained proper books of account;
- iii) Note 10 to the financial statements of the Company discloses material related party transactions and the terms under which they were conducted;
- iv) Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial period ended 31 March, 2024 any of the applicable regulations of Ras Al Khaimah Economic Zone which would materially affect its activities or its financial position as at 31 March, 2024.

Joseph Philip
Reg.No.749
STUART & HAMLYN
CHARTERED ACCOUNTANTS



ISSUED IN DUBAI ON 3 MAY, 2024

TE GLOBAL FZ-LLC - RAS AL KHAIMAH, UAE
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH, 2024

<u>Assets</u>	Note	2024 AED
Non-current assets		
Property, plant and equipment - net carrying amount	5	268,811
Current assets		
Inventory	6	73,961
Accounts and other receivables	7	292,254
Cash and cash equivalents	8	393,578
Total		759,793
Total assets		1,028,604
Liabilities and equity		
Non-current liabilities		
Provision for employees' end of service benefits		2,296
Total		2,296
Current liabilities		
Accounts and other payables	9	223,340
Related party - due to	10	73,961
Provision for employees' leave salary		5,381
Total current liabilities		302,682
Total liabilities		304,978
Equity		
Share capital	11	1,000,000
Net (loss) for the period		(276,374)
Total equity		723,626
Total liabilities and equity		1,028,604

The accounting policies and notes attached herewith form part of these financial statements.

The independent auditors' report is set forth on pages 1-3

GENERAL MANAGER

D. Smith

APPROVED ON 3 MAY, 2024



TE GLOBAL FZ-LLC - RAS AL KHAIMAH, UAE
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD OF SIX MONTHS ENDED 31 MARCH, 2024

	Note	For the period of six months ended 31.03.2024 AED
Revenue	12	-
Operating, administrative and general expenses	13	(276,374)
Net (loss) for the period		<u>(276,374)</u>

The accounting policies and notes attached herewith form part of these financial statements.

The independent auditors' report is set forth on pages 1-3

GENERAL MANAGER

D. Cassidy

APPROVED ON 3 MAY, 2024



TE GLOBAL FZ-LLC - RAS AL KHAIMAH, UAE
STATEMENT OF CASH FLOWS
FOR THE PERIOD OF SIX MONTHS ENDED 31 MARCH, 2024

	Note	For the period of six months ended 31.03.2024 AED
Operating activities		
Net (loss) for the period		(276,374)
Adjustments for:		
Depreciation		3,856
Provision for employees' end of service benefits		2,296
Net cash flow before changes in operating assets and liabilities		(270,222)
Changes in operating assets and liabilities:		
Inventory		(73,961)
Accounts and other receivables		(292,254)
Accounts and other payables		223,340
Related party - net movement		73,961
Provision for employees' leave salary		5,381
Net cash (used in) operating activities		(333,755)
Investing activities		
Payment for purchase of property, plant and equipment		(272,667)
Net cash (used in) investing activities		(272,667)
Financing activities		
Share capital introduced		1,000,000
Net cash generated from financing activities		1,000,000
Increase in cash and cash equivalents		393,578
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	8	393,578

The accounting policies and notes attached herewith form part of these financial statements.

The independent auditors' report is set forth on pages 1-3

GENERAL MANAGER

D. M. M. H.

APPROVED ON 3 MAY, 2024



TE GLOBAL FZ-LLC - RAS AL KHAIMAH, UAE
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
31 MARCH, 2024

Note 1 General information

1.1 Formation

TE GLOBAL FZ-LLC - (The Company) was formed as a Free Zone Company (FZ-LLC) at Ras Al Khaimah Economic Zone on 12 October, 2023 in accordance with the provisions of the Free Zone Regulations of the Emirate of Ras Al Khaimah pursuant to Emiri decree dated 1 May, 2000.

The Company operates under the Industrial license No. 8001062 and commercial license No. 5027600 which is registered on 12 October, 2023.

These are the first financial statements issued by the Company since its incorporation.

1.2 Activities

The Company is licensed to operate :

Under Industrial license No : 8001062

- Specialized Industrial Machinery & Equipment Manufacturing

Under Commercial license No : 5027600

- Adhesives Trading

- Industrial Plant Equipment & Spare Parts Trading

1.3 Address

The registered address of the Company is WFZ03-22, Shed No. 03, Al Hamra Industrial Zone -FZ, Ras Al Khaimah, United Arab Emirates.

1.4 Shareholder

	No. of shares	Amount	% of Capital
M/s. Thejo Engineering Limited (An Entity incorporated under the law of Republic of India)	1,000	1,000,000	100

Note 2 Adoption of new and revised International Financial Reporting Standards (IFRSs)

2.1 New standards, interpretations and amendments effective for the current period

The following new and revised standards and interpretations have been adopted in the current period:

<i>International Accounting Standards (IAS/IFRSs)</i>	<i>Effective date</i>
Classification of Liabilities as current or non current (Amendments to IAS 1)	1-Jan-2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1-Jan-2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1-Jan-2023
Definition of Accounting Estimates (Amendments to IAS 8)	1-Jan-2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1-Jan-2023



2.2 New standards, interpretations and amendments in issue but are not yet effective

Standards, amendments and interpretations issued but not yet effective at the date of authorisation of these financial statements are listed below. The Company intends to adopt those standards when they become effective.

<i>International Accounting Standards (IAS/IFRSs)</i>	<i>Effective date</i>
Lease Liability in a Sale-and-Leaseback (Amendments to IFRS 16, Leases)	1-Jan-2024
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1, Presentation of Financial Statements)	1-Jan-2024
Supplier Finance Arrangements (Amendment to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosures)	1-Jan-2024
Lack of exchangeability (Amendment to IAS 21, The Effects of Changes in Foreign Exchange Rates)	1-Jan-2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	To be determined

Note 3 Summary of significant accounting policies

3.1 Statement of compliance

The financial statements of the Company has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in process of applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in Note (4).

3.2 Basis of preparation and presentation

These financial statements have been prepared prudently on the assumption that the Company shall continue in business for the foreseeable future and taking into account expenses and income related to the financial year irrespective of whether they have been paid and received and in accordance with historical cost convention under which assets are shown at or below its original cost to the Company and no allowance has been made to cover its replacement cost.

The Manager has at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

3.3 Foreign currency transactions and translation

a - Functional and presentation currency

Items included in the financial statements of the Company are denominated in United Arab Emirates Dirhams (AED) as majority of the Company's transactions are conducted in that currency. The financial statements of the Company therefore are expressed in United Arab Emirates Dirhams (AED).



b - Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates on monthly average basis. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within "finance income or costs". All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains - net'.

3.4 Current/ Non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current.

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

The Company classifies all other liabilities as non-current.

3.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to or by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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



3.6 Property, plant and equipment

Recognition and measurement:

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

The Company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefit to the Company. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted, if there is an indication of significant change since the last reporting date.

The assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than the estimated recoverable amount.

Gain and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within the other gain/losses - net in the statement of profit or loss and other comprehensive income.

Depreciation

Items of property, plant and equipment are depreciated on a straight - line basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the assets is completed and ready for use. The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

	Estimated useful life (years)
Plant and equipment	10
Furniture and fixtures	3
Computer and office equipment	3

3.7 Financial assets

Classification

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

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

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



The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

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

Financial assets comprise of cash and cash equivalents, trade and other receivables, due from related parties and other financial assets.

3.7.1 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3.7.2 Receivables

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

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

3.7.3 Other financial assets

Other financial assets include both debt instrument and equity instruments. Debt instruments include those subsequently carried at amortized cost, those carried at FVPTL and those carried at FVTOCI.

3.7.4 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and due from related parties, the Company applies the simplified approach permitted by IFRS9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

3.8 Financial liabilities

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



3.8.1 Other payables

Other payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

3.8.2 Loans and borrowings

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

3.8.3 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

3.9 Inventory

Inventory at 31 March, 2024 are valued at lower of cost and net realisable value of each item. Cost includes all expenditure incurred in the normal course of business in bringing inventory to its present location and condition and is calculated on FIFO method. Net realisable value is based on the estimated selling price less estimated cost of selling. Allowance for slow-moving and obsolete inventory has been adequately considered.

3.10 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.11 Revenue recognition

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

Sale of goods or services

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



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

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

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

3.12 Value Added Tax (VAT)

Value Added Tax (VAT) asset/liability is recognised in the books on the basis of regulations defined by Federal Tax Authority (FTA).

Expenses and assets are recognized net of the amount of value added tax, except:

When the value added tax incurred on a purchase of assets or services is not recoverable as per UAE VAT Law, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When receivables and payables are stated with the amount of Value Added Tax included, the net amount of Value Added Tax recoverable from, or payable to, the taxation authority is reported under trade and other receivables or payables in the financial statements.

Note 4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in policy notes, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

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

Critical judgements in applying accounting policies

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



Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Net realisable value of inventory

Inventory are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its realizable value, if required, are made for estimated obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues.

Impairment losses on trade and other receivables and other financial assets

The Company reviews its trade and other receivables and other financial assets to assess impairment at least on annual basis. The Company's credit risk is primarily attributable to its trade receivables. In determining whether the impairment loss should be reported in profit or loss, the Company makes judgement as to whether there is any observable data indicating that there is a measurable decrease in the amount to be realized from the respective parties. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Employee's terminal benefits

Employees terminal provision is made on the assumption that all employees were to leave as of the end of the reporting period since it provides, in management's opinion, a reasonable estimate of the present value of the terminal benefits.

Note 5 Property, plant and equipment

	Plant and equipment AED	Furniture and fixtures AED	Computers and office equipment AED	Total AED
Additions during the period	230.000	28.000	14.667	272,667
At 31 March, 2024	230,000	28,000	14,667	272,667
Depreciation	10 years	3 years	3 years	
Charge for the period	1,194	2,142	520	3,856
At 31 March, 2024	1,194	2,142	520	3,856
Net carrying amount				
At 31 March, 2024	228.806	25.858	14,147	268,811



TE GLOBAL FZ-LLC - RAS AL KHAIMAH, UAE
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
31 MARCH, 2024

Note 6	Inventory	2024 AED
	Inventory in store	33,426
	Inventory in transit	40,535
	Total	73,961

Note 7	Accounts and other receivables	2024 AED
	Prepayments	266,354
	Refundable deposits	11,172
	Input VAT	11,500
	Other receivables	3,228
	Total	292,254

Note 8	Cash and cash equivalents	2024 AED
	Cash in hand	3,134
	Bank current account balance	390,444
	Total	393,578

Note 9	Accounts and other payables	2024 AED
	Accrued expenses	3,797
	Bills payable	171,702
	Other payables	47,841
	Total	223,340

Note 10 Related party

The Company enters into transactions with other parties that fall within the definition of a related party contained in International Financial Reporting Standards (IAS 24). Such transactions are carried out with such parties in the normal course of business and at terms that correspond to those on normal arm's length transactions with other parties. The related parties, their transactions and the balances at the reporting date are as follows:

Messrs. Thejo Engineering Limited, India is a related party in the manner described under (Note 3.8.3). Related party transactions and balance outstanding at the reporting date are as follows:

	2024 AED
Purchases during the period	73,961

Commercial balances - (due to)

	2024 AED
M/s. Thejo Engineering Limited, Republic of India	73,961



Note 11 Share capital

The share capital of the Company is AED 1,000,000 made up of 1000 ordinary shares of AED 1,000/- each fully subscribed and paid up by the shareholder (Note 1.4).

Note 12 Revenue

The Company has not engaged in any commercial activity during the period of audit and hence no revenue earned.

Note 13 Operating, administrative and general expense

For the period of
six months ended
31.03.2024
AED

Payroll and related expenses	86,773
Rent expenses	36,455
Trade license	11,179
Business promotion expenses	1,373
Vehicle expenses	2,650
Communication expense	7,208
Professional and legal charges	99,077
Depreciation and amortisation	3,856
Bank charges	108
Vehicle hire charges	17,797
Other general expenses	9,898
Total	<u>276,374</u>

Note 14 Financial risk management

The Company has exposure to the following risks from use of its financial instruments:

Credit risk
Liquidity risk
Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Management has overall responsibility for the Company and oversight of the Company's risk management framework. The Management is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.



14.1 Credit risk

Credit risk is managed on group basis. Credit risk arises from derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The credit risk on liquid fund is limited because the counter parties are banks with high credit ratings assigned by International Credit Rating Agencies. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board.

Credit risk is limited to the carrying amount of the financial assets comprising of cash and cash equivalents, trade debtors and deposit refundable. The management continuously review all financial assets portfolios in order to assess reliability and risks associated therewith.

	2024 AED
Accounts and other receivables	<u>25,900</u>

14.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's business and reputation.

The following are the contractual maturities of financial liabilities of the Company at the reporting date:

	Carrying amount AED	Contractual cash flows AED	Less than 1 year AED
Accounts and other payables	<u>223,340</u>	<u>223,340</u>	<u>223,340</u>

14.3 Market risk

The Company's exposure to market risk arises from:

Currency risk

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of Company. The Company is not exposed to exchange rate risk on transactions relating to US \$ as AED is currently pegged to US \$. At the reporting date all the transactions in financial assets and financial liabilities are denominated in the functional currency of the Company. Therefore, the Company is not exposed to currency risk.

Interest rate risk

The Company is exposed to interest rate risk when it borrows funds at floating interest rates. The Company does not have any interest bearing borrowings at the reporting date.

Note 15 Number of employees

	2024 No.
Number of employees in the service of the Company at 31 March,	<u>2</u>



Note 16 Corporate 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, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023.

As per the Company's assessment, there is no material deferred tax impact on account of the CT Law in the Company's financial statements for the year ended 31 December, 2023.

The taxable income of the Company will be subject to the rate of 9% corporate tax. The Cabinet of Ministers Decision No. 116/2022 effective from 2023, has confirmed the threshold of income over which the 9% tax rate would apply and the Law is considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

As per the Company's assessment, there is no material deferred tax impact on account of the CT Law in the Company's financial statements for the year ended 31 March 2024.

Note 17 Approval of financial statements

The financial statements were approved by the General Manager and authorized for issue on 3 May, 2024.

