Ashok Leyland (UAE) LLC
Ras Al Khaimah - United Arab Emirates

Auditor's Report and Separate Financial Statements
For the year ended March 31, 2025

For identification purpose only
UHY
James

Ashok Leyland (UAE) LLC
Ras Al Khaimah - United Arab Emirates

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Ashok Leyland (U.A.E.) L.L.C.
Ras Al Khaimah - United Arab Emirates
Report of the Directors
for the year ended March 31, 2025

The **Directors** have pleasure in presenting their eighteenth annual report and the audited separate financial statements for the year ended March 31, 2025.

PRINCIPAL ACTIVITIES

The Entity is licensed to engage in automobile assembling, automobile assembling with special specifications, bus assembling, special accessories fittings and manufacturing of vehicle bodies & spare parts.

BUSINESS OPERATIONS REVIEW

The performance of the Entity for the year ended March 31, 2025, is as follows:

Sale volume (nos)	:	6089 Vehicles (P.Y.: 4231 Vehicles)
Revenue	:	AED 1,059.64 Mn (P.Y.: AED 739.24 Mn)
Gross Profit	:	AED 153.89 Mn (P.Y.: AED 112.09 Mn)
Profit before corporate tax	:	AED 40.05 Mn (P.Y.: AED 8.55 Mn)
Net profit after corporate tax	:	AED 36.48 Mn (P.Y.: AED 8.55 Mn)

In the fiscal year 2024-25, our company witnessed unprecedented growth, setting new benchmarks in both sales volume and revenue generation. Sales volumes surged by 44%, while revenues climbed by 43%, driven by robust demand in Saudi Arabia and the UAE, as well as the resumption of vehicle supply to Qatar through a local partner. Strategic cost-saving measures, including alternative sourcing, volume bundling, component insourcing, and enhanced manpower efficiency, resulted in a 36% increase in gross profit compared to the previous financial year. Profit after corporate tax saw a remarkable increase of 327%, after accounting for corporate tax provisions of AED 3.57 million implemented this year.

We achieved a significant milestone by surpassing one billion dirhams in revenue and recorded the highest-ever production of 6,003 units in the fiscal year 2024-25. We maintained a 99% service level with a peak production rate of 26 units per day.

BUSINESS UPDATE AND FUTURE OUTLOOK

The GCC region is projected to experience modest economic growth of 1.6% in 2024, primarily driven by the non-oil sector, which has expanded robustly by 3.7% due to ongoing diversification efforts and ambitious reforms. The region anticipates further growth, reaching 4.2% in 2025-26.

The GCC Commercial Vehicle market is projected to grow at a CAGR of 6.60% till 2030. Key drivers include economic diversification, infrastructure investments, and the shift from oil dependence to industries like manufacturing, retail, and tourism. Saudi Arabia, UAE, and Qatar are expected to be major contributors to this demand.

The UAE is actively expanding its network to enhance bilateral trade, reduce tariffs, and foster economic cooperation, aiming to double its GDP by 2031. The government has signed Comprehensive Economic Partnership Agreements (CEPA) with several countries and is looking to expand this network further in 2025. These agreements open new markets for Made in UAE products, such as Ashok Leyland vehicles.

In Saudi Arabia, new Euro 5 emission norms will be introduced in 2024. However, changes in the 'Certificate of Origin' rules have imposed a 7% customs duty on 'Made in UAE' products like Ashok Leyland's buses. To mitigate this, Ashok Leyland is considering setting up a local assembly plant in KSA, which could help offset the additional costs and maintain their competitive edge.

The Board of Directors maintains confidence in the management team's capabilities to navigate the forthcoming challenges. The focus will continue to be on cash flow management and margin enhancement amidst a year marked by intensified competition and challenging market conditions. The current financial year has commenced on a promising note, and the entity remains optimistic about the business performance prospects in the upcoming year.

SUBSIDIARIES

M/s. Ashok Leyland West Africa (ALWA), SA, Ivory Coast, a wholly-owned subsidiary, is facing the difficulties scarcity of foreign currency. Management has recognised an impairment of AED 9.24 Mn for the investment and made a provision of AED 8.82 Mn for loan in the previous year 2023-24. Further evaluation is underway for the potential winding up of the company. Business operations in West Africa are conducted through a fully owned foreign branch office of the parent company.

M/s. Ashok Leyland LLC Russia, a wholly owned subsidiary, has been severely affected by the Russian-Ukraine war and wound up its operation in November 2024.

DIVIDEND

The Dividend has been recommended at 6% on 23,000 non-cumulative redeemable preference shares of AED 1,000/- each for the financial year ended March'25.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Entity is committed to the management of risk to achieve sustainability, employment, and surpluses. The risk management framework identifies, assesses, manages, and reports risk on a consistent and reliable basis. The primary risks are those of credit, market (liquidity, interest rate, foreign exchange) and operational risk.

The Entity has performed a sensitivity analysis on the assumption used and based on the current estimate, expects the carrying amount of these assets will be recovered.

The management recognises its responsibility for the system of internal control and for reviewing its effectiveness. In view of the above, the Entity continuously monitors risks through means of administrative and information systems.

Periodic MIS reports are generated, which help to mitigate risks and provide full transparency.

CREDITOR'S PAYMENT POLICY

The Entity maintains a policy of paying suppliers in accordance with the terms and conditions agreed with them.

PROPERTY, PLANT AND EQUIPMENT

The movement in the property, plant, and equipment account is set out in note 6 to these separate financial statements.

BOARD OF DIRECTORS

In accordance with the Entity's Memorandum of Association, the board's term is set for three years, with the option for renewal and replacement by the partners. To ensure the highest standards of corporate governance, we have decided to adhere to this practice. Therefore, the board's current term will be eligible for renewal in May 2027.

AUDITOR

M/s. UHY James Chartered Accountants LLC, Dubai - United Arab Emirates, is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting (AGM).

DIRECTORS' RESPONSIBILITIES

The U.A.E. Federal Law No. 32 of 2021 requires the Directors to prepare separate financial statements for each financial year, which give a true and fair view of the state of affairs of the Entity and of the net profit or loss for that year.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and to enable them to ensure that the separate financial statements comply with the relevant governing laws.

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ACKNOWLEDGEMENTS

The Directors wish to place on record their sincere gratitude for the continuous support extended by various government departments, bankers, customers, suppliers, and employees.

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

Ganesh S Mani
Director
Date: May 06, 2025

Amandeep Singh Arora
Director

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Ref: JM/AR/2025/25351

Independent Auditor's Report

To,

The Shareholders
M/s. Ashok Leyland (UAE) LLC
Ras Al Khaimah - United Arab Emirates

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the accompanying separate financial statements of **M/s. Ashok Leyland (UAE) LLC** (the "Entity") which comprise the separate statement of financial position as at March 31, 2025 and separate statements of profit or loss and other comprehensive income, changes in equity, cash flows for the year then ended and notes to the separate financial statements, including a summary of material accounting policies.

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

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and their preparation in compliance with the applicable provisions of the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

Further, as required by the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, we confirm that:

1. We have obtained all the information and explanations which we consider necessary for our audit.
2. The separate financial statements have been prepared and comply, in all material respects, with the applicable provisions of the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies and the Memorandum of Association of the Entity.

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Independent Auditor's Report to the Shareholders of Ashok Leyland (UAE) LLC (continued)

Report on Other Legal and Regulatory Requirements (continued)

3 Proper books of accounts have been maintained by the Entity.

4 The financial information included in the Directors' Report is consistent with the books of accounts of the Entity.

5 Investment in shares are included in note 8 to the separate financial statements and include investments made by the Entity if any during the year ended March 31, 2025.

6 Note 9 to the separate financial statements discloses material related party balances, transactions and the terms under which they were conducted.

7 Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Entity has contravened, during the financial year ended March 31, 2025, any of the applicable provisions of the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies or the Memorandum of Association of the Entity, which would materially affect its activities or its separate financial position as at March 31, 2025.

For UHY James Chartered Accountants LLC

James Mathew FCA, CPA
Managing Partner
Reg. No. 548
May 06, 2025
Dubai - United Arab Emirates

UHY JAMES CHARTERED ACCOUNTANTS L.L.C
P.O.Box: 118863
DUBAI - U.A.E.

Ashok Leyland (UAE) LLC
Ras Al Khaimah - United Arab Emirates

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

	Notes	2025	2024
Assets			
Non-current assets			
Property, plant and equipment	6	**53,363,755**	49,810,040
Right-of-use assets	7	**4,335,470**	4,682,448
Advances, deposits and other receivables	12	**4,026,077**	3,973,871
Total non-current assets		**61,725,302**	58,466,359
Current assets			
Due from a related party	9	**199,922**	893,892
Inventories	10	**288,861,150**	181,398,187
Trade receivables	11	**80,688,033**	87,549,551
Advances, deposits and other receivables	12	**5,797,067**	9,393,660
Cash and bank balances	13	**2,700,560**	2,197,851
Total current assets		**378,246,732**	281,433,141
Total assets		**439,972,034**	339,899,500
Equity and liabilities			
Equity			
Share capital	14	**73,000,000**	73,000,000
Statutory reserve	15	**5,967,417**	4,143,521
Accumulated (losses)	16	**(3,569,933)**	(38,223,951)
Total equity		**75,397,484**	38,919,570
Non-current liabilities			
Redeemable non-cumulative non-convertible preference shares	17	**23,000,000**	23,000,000
Employees' end of service benefits	18	**5,603,664**	5,191,373
Lease liabilities	19	**10,301,397**	10,825,928
Total non-current liabilities		**38,905,061**	39,017,301
Current liabilities			
Lease liabilities	19	**524,531**	506,793
Trade and other payables	20	**164,350,368**	97,469,103
Contract liabilities	21	**80,274**	1,425,985
Bank borrowings	22	**68,656,020**	84,320,521
Due to related parties	9	**92,058,296**	78,240,227
Total current liabilities		**325,669,489**	261,962,629
Total liabilities		**364,574,550**	300,979,930
Total equity and liabilities		**439,972,034**	339,899,500

The accompanying notes on pages 12 to 37 form an integral part of these separate financial statements.
The report of the auditor is set out on pages 4 to 6.
The separate financial statements on pages 7 to 37 were approved on May 06, 2025 and signed on behalf of the Entity by:

Ganesh S Mani
Director

Amandeep Singh Arora
Director

Ashok Leyland (UAE) LLC

Ras Al Khaimah - United Arab Emirates

Separate Statement of Profit or Loss and Other Comprehensive Income for the year ended March 31, 2025

(In Arab Emirates Dirham)

	Notes	2025	2024
Revenue	23	**1,059,639,016**	739,242,123
Direct cost	24	**(905,744,430)**	(627,156,561)
Gross profit		**153,894,586**	112,085,562
Other income	25	**2,735,392**	695,960
Selling and distribution expenses	26	**(81,637,647)**	(54,608,735)
General and administrative expenses	27	**(20,711,134)**	(18,666,003)
Finance costs	28	**(14,232,665)**	(12,889,815)
Impairment	29	**-**	(18,069,696)
Profit for the year before tax		**40,048,532**	8,547,273
Tax expense	30	**(3,570,618)**	-
Profit for the year after tax		**36,477,914**	8,547,273
Other comprehensive income		**-**	-
Total comprehensive income for the year		**36,477,914**	8,547,273

The accompanying notes on pages 12 to 37 form an integral part of these separate financial statements.

The report of the auditor is set out on pages 4 to 6.

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Ashok Leyland (UAE) LLC

Ras Al Khaimah - United Arab Emirates

Separate Statement of Changes in Equity for the year ended March 31, 2025

(In Arab Emirates Dirham)

	Share capital	Statutory reserve	Accumulated (losses)	Total equity
Balance as at April 01, 2023	73,000,000	3,716,157	(46,343,860)	30,372,297
Profit for the year	-	-	8,547,273	8,547,273
Transferred to statutory reserve	-	427,364	(427,364)	-
Balance as at March 31, 2024	73,000,000	4,143,521	(38,223,951)	38,919,570
Profit for the year after tax	-	-	**36,477,914**	**36,477,914**
Transferred to statutory reserve	-	**1,823,896**	**(1,823,896)**	-
Balance as at March 31, 2025	**73,000,000**	**5,967,417**	**(3,569,933)**	**75,397,484**

The accompanying notes on pages 12 to 37 form an integral part of these separate financial statements.

The report of the auditor is set out on pages 4 to 6.

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Ashok Leyland (UAE) LLC
Ras Al Khaimah - United Arab Emirates

Separate Statement of Cash Flows for the year ended March 31, 2025
(In Arab Emirates Dirham)

	2025	2024
Cash flows from operating activities		
Profit for the year after tax	**36,477,914**	8,547,273
Adjustments for:		
Provision for corporate tax	**3,570,618**	-
(Gain) on disposal of property, plant and equipment	**(55,524)**	(17,702)
Depreciation on property, plant and equipment	**4,938,998**	3,512,751
Depreciation on right-of-use assets	**346,978**	338,338
Allowance for slow moving inventories	**150,894**	148,702
Finance costs	**14,232,665**	12,889,815
Impairment of loan to a related party	-	8,824,803
Impairment of investment in subsidiaries	-	9,244,893
Provision for employees' end of service benefits	**1,000,029**	1,264,032
Operating profit before changes in operating assets and liabilities	**60,662,572**	44,752,905
(Increase)/decrease in current and non-current assets		
Inventories	**(107,613,857)**	(74,800,151)
Trade receivables	**6,861,518**	(37,380,223)
Advances, deposits and other receivables	**3,544,387**	1,687,677
Due from related parties	**693,970**	(753,172)
Increase/(decrease) in current liabilities		
Trade and other payables	**63,310,647**	29,124,495
Contract liabilities	**(1,345,711)**	1,348,047
Due to related parties	**13,818,069**	57,589,711
Cash generated from operations	**39,931,595**	21,569,289
Employees' end of service benefits paid	**(587,738)**	(381,388)
Net cash from operating activities	**39,343,857**	21,187,901
Cash flows from investing activities		
Purchase of property, plant and equipment	**(8,492,713)**	(2,333,409)
Proceeds from disposal of property, plant and equipment	**55,524**	38,095
Net cash (used in) investing activities	**(8,437,189)**	(2,295,314)

(continued)

Ashok Leyland (UAE) LLC
Ras Al Khaimah - United Arab Emirates

Statement of cash flows for the year ended March 31, 2025 (continued)
(In Arab Emirates Dirham)

	2025	2024
Cash flows from financing activities		
Finance costs paid	**(13,836,020)**	(12,480,881)
Proceeds from bank borrowings	**2,732,555**	749,937
(Repayment) of lease liabilities	**(903,438)**	(760,035)
Net cash (used in) financing activities	**(12,006,903)**	(12,490,979)
Net increase in cash and cash equivalents	**18,899,765**	6,401,608
Cash and cash equivalents at the beginning of the year	**(16,256,291)**	(22,657,899)
Cash and cash equivalents at the end of the year	**2,643,474**	(16,256,291)
Cash and cash equivalents		
Cash on hand (note 13)	**7,412**	20,016
Cash at banks (note 13)	**2,693,148**	2,177,835
Bank overdrafts (note 22)	**(57,086)**	(18,454,142)
	2,643,474	(16,256,291)

The accompanying notes on pages 12 to 37 form an integral part of these separate financial statements.

The report of the auditor is set out on pages 4 to 6.

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1 Legal status and business activities

1.1 **M/s. Ashok Leyland (UAE) LLC,** Ras Al Khaimah - United Arab Emirates (the "Entity") was incorporated on December 18, 2006 as a non Free Zone Limited Liability Company and operates in the United Arab Emirates under Industrial license no. RAKIA 25 IZ3 12 06 0162 issued by Ras Al Khaimah Economic Zone Authority, Government of Ras Al Khaimah, Ras Al Khaimah - United Arab Emirates.

1.2 The Entity is licensed to engage in manufacturing of motor vehicles engines & parts, engine spare parts & installing, automobile assembling, vehicles bodies, automobile assembling with special specifications and bus assembling.

1.3 The registered address of the Entity is P.O. Box: 31376, Ras Al Khaimah - United Arab Emirates.

1.4 The management and control is vested with Board of Directors.

1.5 M/s. WSY Investment LLC, RAK Economic Zone, Ras Al Khaimah - United Arab Emirates owns 51% of the equity of the Entity and are represented by Mr. Tapas Ranjan Nayak and Mr. Dinesh Kumar (both Indian nationals) to carry out the Entity's affairs under their overall guidance.

1.6 These separate financial statements also include operating results of Branch, M/s. Ashok Leyland UAE LLC. - Dubai Branch, Dubai - United Arab Emirates (Professional license no. 757401).

2 New standards and amendments

2.1 New standards and amendments applicable as on April 01, 2024

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after April 01, 2024.

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16
- Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

2.2 Changes in the accounting policies and disclosures

New standards, interpretations and amendments adopted by the Entity

a) Adoption of Income Taxes - IAS 12

On December 09, 2022, the United Arab Emirates (U.A.E) 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 U.A.E. The new CT regime has became effective for accounting periods beginning on or after June 01, 2023 having effective rate of 9%. The Entity adopted IAS 12 with the date of initial application of April 01, 2024. There is no impact of IAS 12 application on the opening balances or retained earnings as per the U.A.E. CT Law.

b) Accounting policy related to Income Taxes - IAS 12

Current tax assets and liabilities

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

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

2 New standards and amendments (continued)

2.2 Changes in the accounting policies and disclosures (continued)

New standards, interpretations and amendments adopted by the Entity (continued)

b) Accounting policy related to Income Taxes - IAS 12 (continued)

Deferred tax assets and liabilities

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

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

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

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

Tax expenses

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

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

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

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

2.3 New standards and amendments issued but are not yet effective for the current annual period

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

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

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

3 Statement of compliance

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

4 Basis of preparation

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

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

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

5 Material accounting policies

5.1 Current/Non current classification

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

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

All other assets are classified as non-current.

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

The Entity classifies all other liabilities as non-current.

5.2 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 by the Entity.

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.

5.3 Foreign currency

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

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

5 Material accounting policies (continued)

5.4 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

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

Depreciation is spread over its useful lives so as to write off the cost of property, plant and equipment using the straight-line method over its useful lives as follows:

	Years
Building	30
Plant and machinery	21
Equipment	4
Furniture, fixtures and equipment	3 - 4
Motor vehicles	4

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately.

The building is being depreciated over the period from when it became available for use up to the end of the lease term.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the separate statement of profit or loss and other comprehensive income.

Capital work-in-progress

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

5.5 Leases

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

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

5 Material accounting policies (continued)

5.5 Leases (continued)

5.5.1 Entity as lessee

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

Right-of-use assets

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

Depreciation is spread over the shorter of lease term and the estimated useful lives of the assets using straight-line method. The shorter of lease term and the estimated useful lives of the right-of-use assets have been listed as follows:

	Years
Land	30

Lease liabilities

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

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

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

Short-term leases and leases of low-value assets

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

5.5.2 Entity as lessor

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

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

5.6 Impairment of tangible assets

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

5 Material accounting policies (continued)

5.6 Impairment of tangible assets (continued)

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

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

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

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

5.7 Investment in subsidiaries

The investment in subsidiaries is accounted for using cost model under IAS 27 "Separate Financial Statements".

5.8 Financial instruments

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

Financial assets

Classification

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

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

- those to be measured at amortised cost.

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

Measurement

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

Financial assets comprise of cash and cash equivalents, trade and other receivables and due from a related party.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and current account with banks.

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5 Material accounting policies (continued)

5.8 Financial instruments (continued)

Financial assets (continued)

Trade receivables

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

Trade 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 trade 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.

Due from a related party

Amounts due from a related party is stated at amortised cost.

Impairment of financial assets

For trade receivables and due from a related party, the Entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

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

Financial liabilities

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

Trade and other payables

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

Due to related parties

Amounts due to related parties are stated at amortised cost.

Loans and other borrowings

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

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5 Material accounting policies (continued)

5.8 Financial instruments (continued)

Financial liabilities (continued)

Derecognition of financial liabilities

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

5.9 Offsetting financial instruments

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

5.10 Inventories

Inventories comprise raw materials and consumables, work-in-progress and finished goods. Raw materials and consumables are valued at cost using weighted average basis. Work-in-progress and finished goods are valued at lower of manufacturing cost and net realizable value. Manufacturing cost includes cost of direct materials, direct labour and proportionate share of manufacturing overhead that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

5.11 Provisions

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

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

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

5.11.1 Provision for product warranty

The product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.

5.12 Employee benefits

Retirement benefits costs and termination benefits

Amounts required to cover end of service indemnity at the consolidated statement of financial position date are computed pursuant to the applicable labour law based on the employees' accumulated period of service and current basic remuneration.

5 Material accounting policies (continued)

5.12 Employee benefits (continued)

Retirement benefits costs and termination benefits (continued)

In case of group companies operating in foreign jurisdiction, the payments in the form of defined contribution towards pension/social security schemes is made as per the laws and regulations of local jurisdiction in which the companies operate. These payments are made to the appropriate authority/entity which is managing the funds/schemes. The assets of the funds/schemes managed by the authorities/entities are held separately from that of these group companies and there are no further obligation once the contributions are made.

5.13 Revenue recognition

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

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

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

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

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

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

Sale of goods

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

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

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods 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.

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5 Material accounting policies (continued)

5.13 Revenue recognition (continued)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Entity has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Entity transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Entity performs under the contract.

5.13.1 Performance obligations

Information about the Entity's performance obligations are summarised below:

Sale of vehicles and vehicles spare parts

The performance obligation is satisfied on delivery of vehicles and spare parts or on shipping depending on the contractual terms agreed with the customers.

5.14 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

Critical judgements in applying accounting policies

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

Determining the timing of satisfaction of performance obligations - revenue recognition

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

Lease term - the Entity as lessee

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

Key sources of estimation uncertainty

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

5 Material accounting policies (continued)

5.14 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Net realisable value of inventories

Inventories 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.

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over their estimated useful lives, which are 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.

Impairment of financial assets

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

Incremental borrowing rate for leases

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

Income and deferred taxation

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

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6 Property, plant and equipment

	Building	Plant and machinery	Equipment	Furniture, fixtures and equipment	Motor vehicles	Capital work-in-progress	Total
Cost							
As at April 01, 2023	68,788,352	18,107,099	3,103,911	5,757,644	2,084,066	-	97,841,072
Addition during the year	-	-	-	-	-	2,333,409	2,333,409
Transferred from capital work-in-progress	70,000	241,400	142,853	234,596	967,487	(1,656,336)	-
Disposals during the year	-	(56,990)	(8,445)	(130,065)	(169,355)	-	(364,855)
As at March 31, 2024	68,858,352	18,291,509	3,238,319	5,862,175	2,882,198	677,073	99,809,626
Addition during the year	-	-	-	-	-	**8,492,713**	**8,492,713**
Transferred from capital work-in-progress	**6,148,539**	**486,207**	**557,653**	**344,997**	**346,322**	**(7,883,718)**	-
Disposals during the year	-	**(568)**	-	-	**(219,194)**	-	**(219,762)**
As at March 31, 2025	**75,006,891**	**18,777,148**	**3,795,972**	**6,207,172**	**3,009,326**	**1,286,068**	**108,082,577**
Accumulated depreciation							
As at April 01, 2023	25,981,398	10,552,546	2,787,589	5,668,182	1,841,582	-	46,831,297
Charge for the year	2,298,116	865,298	141,220	66,768	141,349	-	3,512,751
Eliminated on disposals during the year	-	(36,597)	(8,445)	(130,065)	(169,355)	-	(344,462)
As at March 31, 2024	28,279,514	11,381,247	2,920,364	5,604,885	1,813,576	-	49,999,586
Charge for the year	**2,973,599**	**1,100,931**	**280,371**	**154,864**	**429,233**	-	**4,938,998**
Eliminated on disposals during the year	-	**(568)**	-	-	**(219,194)**	-	**(219,762)**
As at March 31, 2025	**31,253,113**	**12,481,612**	**3,200,735**	**5,759,749**	**2,023,615**	-	**54,718,822**
Carrying value as at March 31, 2025	**43,753,778**	**6,295,536**	**595,237**	**447,423**	**985,711**	**1,286,068**	**53,363,755**
Carrying value as at March 31, 2024	40,578,838	6,910,262	317,955	257,290	1,068,622	677,073	49,810,040

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6 Property, plant and equipment (continued)

Notes:

- Breakup of depreciation charged:

	Notes	For the year ended March 31, 2025	2024
Direct cost	24	**4,354,901**	3,304,634
Administrative expenses	27	**584,097**	208,117
		4,938,998	3,512,751

- Building and plant and machinery are constructed/erected on plots of land under lease from M/s. RAK Investment Authority - United Arab Emirates, situated on Plot no. N-176 (phase - 1) and N-176 (phase - 2), located at Al Ghail Industrial Area, Ras Al Khaimah - United Arab Emirates (notes 7 and note 19).

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7 Right-of-use assets

	Land
Cost	
As at April 01, 2023	6,382,221
As at March 31, 2024	6,382,221
As at March 31, 2025	**6,382,221**
Accumulated depreciation	
As at April 01, 2023	1,361,435
Charge for the year (note 24)	338,338
As at March 31, 2024	1,699,773
Charge for the year (note 24)	**346,978**
As at March 31, 2025	**2,046,751**
Carrying value as at March 31, 2025	**4,335,470**
Carrying value as at March 31, 2024	4,682,448

The Entity has leased 2 plots of land under operating lease from M/s. RAK Investment Authority - United Arab Emirates, situated on Plot no. N-176 (phase - 1) and N-176 (phase - 2), located at Al Ghail Industrial Area, Ras Al Khaimah - United Arab Emirates, for a period of 30 years ending on December 31, 2036 and December 31, 2038, respectively. The lease agreement provides for graduated rent payments and landlord concessions (i.e. rent free period). The right-of-use assets are amortised over the lease term on straight-line basis.

8 Investment in subsidiaries

	Proportion of ownership		Proportion of voting power			
	2025	2024	**2025**	2024	**2025**	2024
a) M/s. Ashok Leyland West Africa SA - Ivory Coast						
- Investment in share capital	**100%**	100%	**100%**	100%	-	66,743
- Additional investment (note 8(i))					-	9,178,150
Provision for impairment of investment (note 29)					-	(9,244,893)
					-	-
b) M/s. Ashok Leyland LLC - Russia						
- Investment in share capital	-	100%	-	100%	-	-

i) Represents cost of acquiring 100% ownership and an additional long term investment of capital employed in M/s. Ashok Leyland West Africa SA - Ivory Coast. The principal activities of the subsidiary consist of marketing and trading of Ashok Leyland brand vehicles and spare parts, service training and after sale services of vehicles.

ii) There were challenges in optimizing the revenue model for its subsidiary, M/s. Ashok Leyland West Africa, which has not justified the investment made. In previous year, the management has acknowledged the necessity to record an impairment for the investment and provided for the entire loan amount on its standalone financial statements. Despite this, business operations in West Africa will be carried at diminished capacity.

b) Represents cost of acquiring 100% ownership and an additional long term investment of capital employed in M/s. Ashok Leyland LLC - Russia. The principal activities of the subsidiary consist of trading of commercial vehicles, motor vehicle parts, components, accessories and maintenance and repair of motor vehicles. During the year this subsidiary was liquidated. No impact relating to this liquidation has been taken in this separate financial statements as this investment was already fully impaired.

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9 Related party balance and transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related Party Disclosures. Such balances and transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions with third parties. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

a) **Balance with related parties**	**2025**	2024
Details of loan to a related party:		
M/s. Ashok Leyland West Africa SA - Ivory Coast		
Balance at the beginning of the year	-	8,824,803
Provision for impairment of loan (note 29)	-	(8,824,803)
Balance at the end of the year	-	-
- Due from a related party		
Entities under common management and control		
M/s. Ashok Leyland Limited, Dubai - United Arab Emirates	**199,922**	893,892
	199,922	893,892
- Due to related parties		
Shareholder		
M/s. Ashok Leyland Limited - India	**73,846,204**	75,394,638
Entity under common management and control		
M/s. Ashok Leyland Defence Systems - India	**18,015,816**	2,624,556
M/s. Gulf RAK Oil L.L.C., Ras Al Khaimah - U.A.E.	**196,276**	221,033
	92,058,296	78,240,227

b) Transactions with related parties

The nature of significant related party transactions and the amounts involved were as follows:

	For the year ended March 31,	
Parent Entity	**2025**	2024
Purchases	**476,714,917**	336,107,371
Entities under common management and control		
Other expenses	**418,206**	333,209
Sales	**3,435,903**	2,261,658
Interest paid on preference shares (note 28)	**1,380,000**	1,380,000

The Entity provides/receives funds to/from related parties as and when required as working capital facilities.

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10 Inventories

	2025	2024
Raw materials and consumables	**171,864,994**	85,862,480
Work-in-progress	**13,438,383**	4,636,208
Finished goods	**21,047,949**	30,980,427
	206,351,326	121,479,115
Less: Allowance for slow moving inventories	**(4,152,741)**	(4,001,847)
	202,198,585	117,477,268
Goods-in-transit	**86,662,565**	63,920,919
	288,861,150	181,398,187

Movements in allowance for slow moving inventories as at reporting date is as follows:

	2025	2024
Balance at the beginning of the year	**4,001,847**	3,853,145
Add: charge during the year (note 27)	**150,894**	148,702
Balance at the end of the year	**4,152,741**	4,001,847

11 Trade receivables

	2025	2024
Trade receivables	**80,688,033**	88,136,440
Less: Allowance for expected credit loss	**-**	(586,889)
	80,688,033	87,549,551

The average credit period for the trade receivables is 60 days (2024: 60 days). Provisions are based on the estimated irrecoverable amounts determined by reference to past default experience.

Of the trade receivables as at March 31, 2025, there are 5 customers (2024: 5 customers) representing 95% (2024: 99%) of the total receivables.

	2025	2024
Ageing of trade receivables that are neither past nor due:		
1 - 60 days	**80,623,726**	72,864,260
Ageing of trade receivables that are past due:		
1 - 180 days	**6,084**	14,990,008
365 days and above	**58,223**	282,172
	80,688,033	88,136,440

Impairment of trade receivables:

The Entity applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. In determining the impairment loss on trade receivables, the Entity does not consider any changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The management has established a provision matrix that is based on its historic credit loss experience, adjusted for forward-looking information specific to the debtor and the overall economic environment.

11 Trade receivables (continued)	**2025**	2024
Impairment of trade receivables (continued)		
Expected credit loss rate	**0.00%**	0.67%
Estimated total gross carrying amount at default	**80,688,033**	88,136,440
Amount not past due	**80,623,726**	72,864,260
Lifetime expected credit loss	**-**	586,889
Net carrying amount	**80,688,033**	87,549,551
The movements in the allowance for expected credit loss as at the reporting date are as follows:		
Balance at the beginning of the year	**586,889**	586,889
Less: written off during the year	**(586,889)**	-
Balance at the end of the year	**-**	586,889

The above trade receivables are assigned against bank facilities granted (note 22).

Geographical analysis:

The geographical analysis of trade receivables are as follows:

Within U.A.E.	**67,368,707**	20,446,038
Within other G.C.C. countries	**13,319,326**	53,995,401
Others	**-**	13,695,001
	80,688,033	88,136,440

12 Advances, deposits and other receivables	**2025**	2024
Prepayments	**1,953,986**	1,504,234
Deposits	**457,353**	405,148
Advances to a supplier	**3,735,081**	717,935
Other receivables*	**3,676,724**	10,740,214
	9,823,144	13,367,531
Comprising:		
Current portion	**5,797,067**	9,393,660
Non-current portion	**4,026,077**	3,973,871
	9,823,144	13,367,531

*This includes Nil (2024: AED 3,530,700) deposited with Federal Tax Authority (FTA) against demand. The court has given the judgement in favour of the Entity and has ordered FTA to refund the amount and is currently available in Entity's wallet with FTA.

13 Cash and bank balances	**2025**	2024
Cash on hand	**7,412**	20,016
*Deposits	**65,007**	-
Cash at banks	**2,628,141**	2,177,835
	2,700,560	2,197,851

*This represents deposits with original maturity of less than or equal to 3 months.

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

14 Share capital

Authorised, issued and paid up capital of the Entity is AED 96,000,000 comprising:

- equity share capital of AED 73,000,000 divided into 73,000 fully paid up shares of AED 1,000 each.
- Redeemable non-cumulative non-convertible preference shares of AED 23,000,000 divided into 23,000 fully paid up shares of AED 1,000 each (note 17).

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

Name of shareholders	Domicile	Percentage	No. of shares	2025	2024
M/s. WSY Investment LLC *(Represented by Mr. Tapas Ranjan Nayak and Mr. Dinesh Kumar)*	U.A.E.	51	37,230	**37,230,000**	37,230,000
M/s. Ashok Leyland Limited *(Represented by Mr. Dinesh Kumar)*	India	49	35,770	**35,770,000**	35,770,000
		100	73,000	**73,000,000**	73,000,000

15 Statutory reserve

	2025	2024
Balance at the beginning of the year	**4,143,521**	3,716,157
Add: Transferred from net profits (note 16)	**1,823,896**	427,364
Balance at the end of the year	**5,967,417**	4,143,521

According to the Memorandum of Association of the Entity and U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, 5% of annual net profits is allocated to the statutory reserve. The transfer to statutory reserve may be suspended, when the reserve reaches 50% of the paid up capital. This reserve is not available for distribution.

16 Accumulated (losses)

	2025	2024
Balance at the beginning of the year	**(38,223,951)**	(46,343,860)
Profit for the year	**36,477,914**	8,547,273
Less: Transferred to statutory reserve (note 15)	**(1,823,896)**	(427,364)
Balance at the end of the year	**(3,569,933)**	(38,223,951)

17 Redeemable non-cumulative, non-convertible preference shares

On March 31, 2019, the Entity issued 23,000 (2024: 23,000) redeemable non-cumulative non-convertible preference shares of AED 1,000 each which are redeemable at par within 10 years from the date of issue and carry non-cumulative dividend @ 6% p.a. These redeemable preference shares do not carry right to vote.

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

Name of shareholder	Domicile	Percentage	No. of shares	2025	2024
M/s. Ashok Leyland Limited *(Represented by Mr. Dinesh Kumar)*	India	100	23,000	**23,000,000**	23,000,000

18 Employees' end of service benefits

	2025	2024
Balance at the beginning of the year	**5,191,373**	4,308,729
Add: charge for the year	**1,000,029**	1,264,032
Less: paid during the year	**(587,738)**	(381,388)
Balance at the end of the year	**5,603,664**	5,191,373

18 Employees' end of service benefits (continued)

Amounts required to cover end of service indemnity at the separate statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of the reporting period.

19 Lease liabilities

	2025	2024
Balance at the beginning of the year	**11,332,721**	11,683,822
Add: interest charged during the year (note 28)	**396,645**	408,934
Less: payments during the year	**(903,438)**	(760,035)
Balance at the end of the year	**10,825,928**	11,332,721

The above represents present value of lease payments of leased assets (land situated at Plot no. N-176 (phase - 1) and N-176 (phase - 2), located at Al Ghail Industrial Area, Ras Al Khaimah - United Arab Emirates) discounted at the rate 3.5% p.a. and are repayable by December 31, 2036 and December 31, 2038, respectively.

Comprising:		
Current portion	**524,531**	506,793
Non-current portion	**10,301,397**	10,825,928
	10,825,928	11,332,721

Maturity profile of lease payments:

March 31, 2025	**Within 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Lease payments - undiscounted	**903,438**	**3,871,877**	**9,016,232**	**13,791,547**
Less: Finance charges	**(378,907)**	**(1,323,499)**	**(1,263,213)**	**(2,965,619)**
Net present value	**524,531**	**2,548,378**	**7,753,019**	**10,825,928**
March 31, 2024				
Lease payments - undiscounted	903,438	3,671,113	10,120,434	14,694,985
Less: Finance charges	(396,645)	(1,402,885)	(1,562,734)	(3,362,264)
Net present value	506,793	2,268,228	8,557,700	11,332,721

Amounts recognised in separate statement of profit or loss and other comprehensive income:	**For the year ended March 31,** 2025	2024
Interest on lease liabilities (note 28)	**396,645**	408,934
Depreciation expense (notes 7 & 24)	**346,978**	338,338
Rent expense (note 27)	**453,092**	162,212
Net impact for the year	**1,196,715**	909,484

Amounts recognised in separate statement of cash flows:		
Total cash outflows (net) for leases	**903,438**	760,035

20 Trade and other payables

	2025	2024
Trade payables*	**115,719,702**	61,763,867
Provisions and accruals	**42,009,291**	34,896,646
Provision for taxation (note 30)	**3,570,618**	-
VAT payables - net	**2,520,473**	252,140
Other payables	**530,284**	556,450
	164,350,368	97,469,103

20 Trade and other payables (continued)

* Trade payables include balances amounting to AED 42,544,808 (2024: AED 20,786,508) under supplier financing arrangement ("the Financing Arrangement without recourse on company") out of which AED 9,576,262 (2024: AED 20,400,785) have been paid by the finance provider to the suppliers.

21 Contract liabilities

	2025	2024
Advance from customers	**80,274**	1,425,985

22 Bank borrowings

	2025	2024
a) Due to banks		
Bank overdrafts	**57,086**	18,454,142
Trust receipts	**13,511,434**	29,141,379
Short term loan	**55,087,500**	36,725,000
	68,656,020	84,320,521

Bank borrowings are secured by:

- Letter of awareness/comfort by M/s. Ashok Leyland Limited - India.
- Assignment of trade receivables (note 11).
- Assignment of all risk insurance policies covering inventories.

Comprising:		
Current portion	**68,656,020**	84,320,521

23 Revenue

	For the year ended March 31,	
	2025	2024
Revenue from contracts with customers	**1,059,639,016**	739,242,123

23.1 Disaggregated revenue information

Set out below is the disaggregation of the Entity's revenue from contracts with customers.

Segments		
Commercial vehicles	**1,044,307,518**	734,512,367
Spare parts and others	**15,331,498**	4,729,756
Total revenue from contracts with customers	**1,059,639,016**	739,242,123
Geographical markets		
Within U.A.E.	**860,805,400**	371,129,764
Within other G.C.C. countries	**198,255,197**	344,833,349
Others	**578,419**	23,279,010
Total revenue from contracts with customers	**1,059,639,016**	739,242,123
Timing of revenue recognition		
Goods transferred at a point in time	**1,059,639,016**	739,242,123
Total revenue from contracts with customers	**1,059,639,016**	739,242,123

23.2 Contract balances

Trade receivables (note 11)	**80,688,033**	87,549,551
Contract liabilities (note 21)	**80,274**	1,425,985

Trade receivables are non-interest bearing and are generally on terms of 60 days.

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		For the year ended March 31,	
24	**Direct cost**	**2025**	**2024**
	Balance at the beginning of the year - raw materials and consumables	**85,862,480**	64,195,897
	Add: Purchases (including direct cost)	**955,713,679**	629,614,124
	Less: Balance at the end of the year - raw materials and consumables (note 10)	**(171,864,994)**	(85,862,480)
	Raw material consumed	**869,711,165**	607,947,541
	Direct wages and benefits	**25,160,376**	16,305,458
	Depreciation on property, plant and equipment (note 6)	**4,354,901**	3,304,634
	Depreciation on right-of-use assets (note 7)	**346,978**	338,338
	Other direct expenses	**5,040,707**	3,638,730
	Manufacturing cost	**904,614,127**	631,534,701
	Balance at the beginning of the year - work-in-progress	**4,636,208**	8,242,352
	Less: Balance at the end of the year - work-in-progress (note 10)	**(13,438,383)**	(4,636,208)
	Cost of goods manufactured	**895,811,952**	635,140,845
	Balance at the beginning of the year - finished goods	**30,980,427**	22,996,143
	Less: Balance at the end of the year - finished goods (note 10)	**(21,047,949)**	(30,980,427)
		905,744,430	627,156,561

		For the year ended March 31,	
25	**Other income**	**2025**	**2024**
	Gain on disposal of property, plant and equipment	**55,524**	17,702
	Other income	**2,679,868**	678,258
		2,735,392	695,960

		For the year ended March 31,	
26	**Selling and distribution expenses**	**2025**	**2024**
	Advertisement and business promotion	**70,555,503**	34,946,975
	Warranty	**3,261,933**	3,779,145
	Delivery charges	**7,820,211**	15,882,615
		81,637,647	54,608,735

		For the year ended March 31,	
27	**General and administrative expenses**	**2025**	**2024**
	Salaries and other related benefits	**14,930,153**	13,951,842
	Legal, visa, professional and related expenses	**388,702**	582,199
	Printing and stationery	**23,320**	22,734
	Travelling expenses	**950,604**	670,226
	Utilities	**1,023,331**	877,008
	Telephone and communications	**234,050**	215,349
	Repairs and maintenance	**1,182,498**	1,124,752
	Foreign currency exchange loss - net	**168,622**	180,995
	Rent expense (note 19)	**453,092**	162,212
	Insurance	**198,274**	189,454
	Allowance for slow moving inventories (note 10)	**150,894**	148,702
	Depreciation on property, plant and equipment (note 6)	**584,097**	208,117
	Bank charges	**344,597**	290,843
	Miscellaneous expenses	**78,900**	41,570
		20,711,134	18,666,003

		For the year ended March 31,	
28	**Finance costs**	**2025**	2024
	Interest on lease liabilities (note 19)	**396,645**	408,934
	Interest on preference shares (note 9)	**1,380,000**	1,380,000
	Interest expenses	**12,456,020**	11,100,881
		14,232,665	12,889,815

		For the year ended March 31,	
29	**Impairment**	**2025**	2024
	Impairment of investment in subsidiaries (note 8)	-	9,244,893
	Impairment of loan to a related party (note 9a)	-	8,824,803
		-	18,069,696

30 Taxation

a) Tax on ordinary activities

The major components of the income tax are as follows:

Income tax recognised in the statement of profit or loss and other comprehensive income:	For the year ended December 31,	
	2025	2024
Current income tax:		
Current tax expense for the year	**3,570,618**	-
Tax provision for the year	**3,570,618**	-

b) Reconciliation of total tax charge

The reconciliation of the effective tax rate to the domestic tax rate is as follows:

	For the year ended December 31,	
	2025	2024
Accounting profit before income tax	**40,048,532**	-
Less: Tax income exempted	**(375,000)**	-
Taxable profit	**39,673,532**	-
Expected tax at domestic rate applicable to the Entity: 9% (2024: Nil)	**3,570,618**	-
Adjustments:		
Tax effect of expenses that are non-deductible for tax purposes	**-**	-
Tax provision for the year	**3,570,618**	-

c) Deferred tax asset

A deferred tax asset is recognized for all deductible temporary differences. However, during the year, there are no such temporary differences. Hence, there is no impact of deferred tax.

	For the year ended December 31,	
d) Current tax liability	**2025**	2024
Recognised in the statement of profit or loss and other comprehensive income	**3,570,618**	-
Balance at the end of the year	**3,570,618**	-

31 Financial instruments

a) *Material accounting policies*

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

b) *Financial assets and financial liabilities*

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

	Amortised cost	
Financial assets	**2025**	2024
Due from a related party	**199,922**	893,892
Trade receivables	**80,688,033**	87,549,551
Deposits and other receivables	**4,134,077**	11,145,362
Cash and bank balances	**2,700,560**	2,197,851
	87,722,592	101,786,656
Financial liabilities		
Redeemable non-cumulative non-convertible preference shares	**23,000,000**	23,000,000
Lease liabilities	**10,825,928**	11,332,721
Trade and other payables	**158,259,277**	97,216,963
Due to related parties	**92,058,296**	78,240,227
Bank borrowings	**68,656,020**	84,320,521
	352,799,521	294,110,432

c) *Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis*

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

Financial instruments not measured at fair value includes due from a related party, trade receivables, deposits and other receivables, cash and bank balances, trade and other payables, due to related parties, bank borrowings, lease liabilities and redeemable non-cumulative non-convertible preference shares.

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

c) *Valuation premise for financial instruments that are not measured at fair value on recurring basis.*

The following methods and assumptions were used to estimate the fair values:

Receivables are evaluated by the Entity based on parameters such as interest rates, individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at reporting date, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The fair value of other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

32 Financial risk management objectives

The Entity management set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Entity's policy guidelines are complied with.

There has been no change to the Entity's exposure to these financial risks or the manner in which it manages and measures the risk.

a) *Foreign currency risk management*

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

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

b) *Interest rate risk management*

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

Interest rate sensitivity analysis

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

If interest rates had been 50 basis points higher/(lower) and all other variables were held constant, the Entity's profit for the year then ended would (decrease)/increase by AED 343,280 (2024: (decrease)/increase by AED 421,603).

c) *Liquidity risk management*

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

The Entity's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and equity from shareholders through their current accounts or loans.

Liquidity and interest risk table:

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

32 Financial risk management objectives (continued)

c) *Liquidity risk management (continued)*

Liquidity and interest risk table (continued)

		Interest bearing			Non Interest bearing			
Particulars	**Effective Interest Rate**	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**Total**
				As at March 31, 2025				
Financial assets								
Due from a related party		-	-	-	-	**199,922**	-	**199,922**
Trade receivables		-	-	-	-	**80,688,033**	-	**80,688,033**
Deposits and other receivables		-	-	-	-	**108,000**	**4,026,077**	**4,134,077**
Cash and bank balances		-	-	-	**2,700,560**	-	-	**2,700,560**
		-	-	-	**2,700,560**	**80,995,955**	**4,026,077**	**87,722,592**
Financial liabilities								
Redeemable non-cumulative non convertible preference shares		-	-	**23,000,000**	-	-	-	**23,000,000**
Lease liabilities	**3.50%**	-	**524,531**	**10,301,397**	-	-	-	**10,825,928**
Trade and other payables		-	-	-	-	**158,259,277**	-	**158,259,277**
Due to related parties		-	-	-	-	**92,058,296**	-	**92,058,296**
Bank borrowings	**6.25%**	**57,086**	**68,598,934**	-	-	-	-	**68,656,020**
		57,086	**69,123,465**	**33,301,397**	-	**250,317,573**	-	**352,799,521**
				As at March 31, 2024				
Financial assets								
Due from a related party		-	-	-	-	893,892	-	893,892
Trade receivables		-	-	-	-	87,549,551	-	87,549,551
Deposits and other receivables		-	-	-	-	7,171,491	3,973,871	11,145,362
Cash and bank balances		-	-	-	2,197,851	-	-	2,197,851
		-	-	-	2,197,851	95,614,934	3,973,871	101,786,656
Financial liabilities								
Redeemable non-cumulative non convertible preference shares		-	-	23,000,000	-	-	-	23,000,000
Lease liabilities	3.50%	-	506,793	10,825,928	-	-	-	11,332,721
Trade and other payables		-	-	-	-	97,216,963	-	97,216,963
Due to related parties		-	-	-	-	78,240,227	-	78,240,227
Bank borrowings	6.25%	18,454,142	65,866,379	-	-	-	-	84,320,521
		18,454,142	66,373,172	33,825,928	-	175,457,190	-	294,110,432

32 Financial risk management objectives (continued)

d) *Credit risk management (continued)*

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly and the Entity applies simplified approach under IFRS 9 to measure lifetime expected credit loss allowance on all of its trade receivables.

Trade receivables consist of a small number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables. Further details of credit risks on trade and other receivables are discussed in notes 11 & 12 to the separate financial statements.

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

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

33 Capital risk management

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the equity balance. The Entity's overall strategy remains unchanged from prior year. The Entity is not subject to any externally imposed capital requirements.

The capital structure of the Entity consists of equity comprising issued share capital, statutory reserve and accumulated (losses) as disclosed in the separate financial statements.

	As at March 31,	
34 Contingent liabilities	**2025**	2024
Letters of credit	**257,552**	9,130,000

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

	As at March 31,	
35 Commitments	**2025**	2024
Commitments for the purchase of property, plant and equipment	**5,147,248**	224,546

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

36 Comparative numbers

There were no reclassifications or regroupings made in the previously reported financial result or equity.

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