CLEANMAX SOLAR MENA FZCO

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 31 MARCH 2024

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YEAR ENDED 31 MARCH 2024

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PKF

Accountants &
business advisers

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of CLEANMAX SOLAR MENA FZCO

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **CLEANMAX SOLAR MENA FZCO** (the "Company" or the "Parent company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates (U.A.E), 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.

Material Uncertainty Related to Going Concern

We draw attention to note 3 (c) to the consolidated financial statements, which states that the Group has incurred a loss of AED 2,250,351 for the year ended 31 March 2024 and at that date, the Group's losses aggregated to AED 14,398,824. Further, certain subsidiaries of the Group have accumulated losses and net deficit in their equity funds. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, the shareholder has agreed to continue with the operations of the Group and has agreed to provide continuing financial support to enable the Group to discharge its liabilities as and when they fall due. Accordingly, these consolidated financial statements have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

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Accountants &
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INDEPENDENT AUDITOR'S REPORT
(continued)

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

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with applicable provision of the Dubai Airport Free Zone Implementing Regulations 2021, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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
We further confirm that the consolidated financial statements comply with the applicable provisions of the Dubai Airport Free Zone Implementing Regulations 2021.

For **PKF**

Lalwani

AUDITORS PKF U.A.E.

Saranga Lalwani
Partner
Registration No. 5468
Dubai
United Arab Emirates
14 May 2024

CLEANMAX SOLAR MENA FZCO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Notes	2024 AED	2023 AED
ASSETS			
Non-current assets			
Property, plant and equipment	7	62,850,463	30,916,554
Investments	8	27,823,943	16,854,454
Other financial assets	9	13,424,867	14,924,867
		104,099,273	62,695,875
Current assets			
Inventories	10	4,583,066	4,972,343
Trade and other receivables	11	7,896,008	2,684,954
Other current assets	12	3,352,271	4,669,403
Due from a related party	13	3,495,655	236,444
Contract assets	14	7,158,311	6,647,982
Other financial assets	9	2,380,368	99,000
Cash and cash equivalents	15	9,900,972	17,870,790
		38,766,651	37,180,916
Total assets		142,865,924	99,876,791
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	16	24,830,000	16,877,000
Share premium	17	44,192,401	19,830,420
Share application money	18	--	14,775,948
Statutory reserve		1,366	1,366
Accumulated losses		(14,398,824)	(12,148,473)
Foreign currency translation reserve		(2,694,148)	(739,171)
Equity attributable to shareholder of the Parent		51,930,795	38,597,090
Non-controlling interest	19	2,996	155,996
Total shareholder's funds		51,933,791	38,753,086
Non-current liabilities			
Loans from shareholder	20	24,695,653	17,701,527
Long-term borrowings	21	41,647,242	13,851,133
Provision for staff end-of-service benefits	22	250,608	169,567
Lease liabilities	23	972,955	--
		67,566,458	31,722,227
Current liabilities			
Loans from shareholder	20	3,426,204	663,961
Short-term borrowings	24	2,042,300	668,360
Due to a related party	13	3,823,884	11,159,361
Trade and other payables	25	11,007,897	3,502,970
Other current liabilities	26	242,428	5,641,684
Lease liabilities	23	133,338	--
Contract liabilities	14	2,689,624	7,765,142
		23,365,675	29,401,478
Total liabilities		90,932,133	61,123,705
Total shareholder's funds and liabilities		142,865,924	99,876,791

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

The report of the independent auditor is set forth on pages 1 to 3.

Approved and authorised for issue by the shareholder on 7 May 2024 and signed on their behalf by Ms. Shivani Agrawal.

For CLEANMAX SOLAR MENA FZCO

Shivani

DIRECTOR

CLEANMAX SOLAR MENA FZCO

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 AED	2023 AED
Revenue	28	52,937,962	39,585,839
Cost of sales	29	(43,103,620)	(43,494,843)
Gross profit/(loss)		9,834,342	(3,909,004)
Other income	30	158,787	90,776
Share of profit from associate	8(a)	353,153	776,562
Share of profit from joint venture	8(b)	29,581	--
Administrative expenses	31	(9,292,009)	(7,223,236)
Interest income	32	917,806	1,514,828
Finance costs	33	(3,981,976)	(2,647,715)
LOSS FOR THE YEAR BEFORE TAX		(1,980,316)	(11,397,789)
Income tax:			
Current tax expense	35	(270,035)	--
LOSS FOR THE YEAR AFTER TAX		(2,250,351)	(11,397,789)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of operations		(1,954,977)	(808,699)
Other comprehensive income for the year		(1,954,977)	(808,699)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(4,205,328)	(12,206,488)
Loss attributable to:			
Shareholder of the parent		(4,205,328)	(12,206,488)
Non-controlling interest		--	--
		(4,205,328)	(12,206,488)

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

		Attributable to the shareholder of the Parent							Non-controlling Interest	Total
		Share capital	Share premium	Share application money	Statutory reserve	Accumulated losses [a]	Foreign currency translation reserve	Total		
		AED	AED	AED	AED	AED	AED	AED	AED	AED
Balance at 1 April 2022		6,858,000	887,440	9,017,200	1,366	(750,684)	69,528	16,082,850	153,000	16,235,850
Issue of share capital		10,019,000	--	--	--	--	--	10,019,000	--	10,019,000
Share premium received			19,019,100	--	--	--	--	19,019,100	--	19,019,100
Share application money for issuance of additional shares		--	--	5,758,748	--	--	--	5,758,748	--	5,758,748
Increase in share capital of a subsidiary		--	--	--	--	--	--	--	2,996	2,996
Comprehensive income										
- Loss	(a)	--	--	--	--	(11,397,789)	--	(11,397,789)	--	(11,397,789)
- Foreign currency translation reserve	(b)	--	--	--	--	--	(808,699)	(808,699)	--	(808,699)
Total comprehensive income	(a + b)	--	--	--	--	(11,397,789)	(808,699)	(12,206,488)	--	(12,206,488)
Transaction costs		--	(76,120)	--	--	--	--	(76,120)	--	(76,120)
Balance at 31 March 2023		16,877,000	19,830,420	14,775,948	1,366	(12,148,473)	(739,171)	38,597,090	155,996	38,753,086
Issue of share capital		7,953,000	--	--	--	--	--	7,953,000	--	7,953,000
Share premium received		--	24,473,361	--	--	--	--	24,473,361	--	24,473,361
Share application money for issuance of additional shares		--	--	(14,775,948)	--	--	--	(14,775,948)	--	(14,775,948)
Acquisition of minority stake		--	--	--	--	--	--	--	(153,000)	(153,000)
Comprehensive income		--	--	--	--	--	--	--	--	--
- Loss	(c)	--	--	--	--	(2,250,351)	--	(2,250,351)	--	(2,250,351)
- Foreign currency translation reserve	(d)	--	--	--	--	--	(1,954,977)	(1,954,977)	--	(1,954,977)
Total comprehensive income	(c + d)	--	--	--	--	(2,250,351)	(1,954,977)	(4,205,328)	--	(4,205,328)
Transaction costs		--	(111,380)	--	--	--	--	(111,380)	--	(111,380)
Balance at 31 March 2024		24,830,000	44,192,401	--	1,366	(14,398,824)	(2,694,148)	51,930,795	2,996	51,933,791

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

The report of the independent auditor is set forth on pages 1 to 3.

(a) Accumulated losses include AED 15,685,200 representing non-distributable reserves of an associate which is in the nature of share premium.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	2024 AED	2023 AED
Cash flows from operating activities		
Loss for the year	(2,250,351)	(11,397,789)
Adjustments for:		
Depreciation of property, plant and equipment	2,109,721	687,785
Finance costs	3,981,976	2,647,715
Credit balance written back	(29,927)	--
Share of profit from joint venture	(29,581)	--
Share of profit from associate	(353,153)	(776,562)
Provision for staff end-of-service benefits	88,705	124,278
	3,517,390	(8,714,573)
Changes in:		
- Inventories	389,277	684,257
- Trade and other receivables	(5,211,054)	(253,277)
- Other current assets	1,317,132	(2,922,617)
- Contract assets	(510,329)	(3,095,309)
- Trade and other payables	7,534,854	(6,297,328)
- Other current liabilities	(5,399,256)	4,925
- Contract liabilities	(5,075,518)	1,885,245
Staff end-of-service benefits paid	(7,664)	(191,158)
Cash used in operations	(3,445,168)	(18,899,835)
Interest paid	(3,379,737)	(2,407,663)
Net cash used in operating activities	(6,824,905)	(21,307,498)
Cash flows from investing activities		
Payments for property, plant and equipment	(32,915,840)	(14,366,152)
Proceeds on disposal of property, plant and equipment	51,201	165,639
(Decrease)/increase in other financial assets	(781,368)	11,033,129
Investment in joint venture	(1,386,755)	--
Net movements in investment in associate	(9,200,000)	--
(Payments to)/receipts from related parties (net)	(3,259,211)	41,961
Net cash used in investing activities	(47,491,973)	(3,125,423)
Cash flows from financing activities		
Receipts from share application money	--	34,796,848
Issue of share capital	7,953,000	--
Receipts of share premium money (net)	9,544,413	--
(Payments to)/receipts from related parties (net)	(7,335,477)	8,539,242
Receipts from/(repayment of) borrowings (net)	29,170,049	(1,075,022)
Transaction costs paid	(111,380)	(76,120)
Payment of lease liabilities	(118,568)	--
Loan availed/(repayment of loan) from shareholder (net)	9,200,000	(6,299,625)
Net cash from financing activities	48,302,037	35,885,323
Foreign currency translation difference	(1,954,977)	(808,699)
Net (decrease)/increase in cash and cash equivalents	(7,969,818)	10,643,703
Cash and cash equivalents at beginning of year	17,870,790	7,227,087
Cash and cash equivalents at end of year (note 15)	9,900,972	17,870,790

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

The report of the independent auditor is set forth on pages 1 to 3.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **CLEANMAX SOLAR MENA FZCO** (the "Company" or the "Parent company") is a free zone company with limited liability incorporated in Dubai, United Arab Emirates under Implementing Regulation No. 1/98 issued by the Dubai Airport Free Zone Authority pursuant to Law No. 2 of 1996 and its amendment No. (2) of 2000 and amendment Law No. (25) of 2009 (repealed by Dubai Airport Free Zone Authority Company Regulation 2021). The Company was registered on 23 May 2017 and commenced its operations since then. The registered address is 2E M032, Dubai Airport Free Zone, Dubai, UAE. These consolidated financial statements include the operating result of a branch with license no. 3348 and operating results of the subsidiaries as mentioned in note 1(c).

b) The principal activities of the Parent company and its subsidiaries (note 1(c) (together referred to as "the Group") during the year were solar energy systems & components trading and power generation, transmission & distribution equipment, electrical fitting contracting, solar energy system installation, business management consulting and general service and engaged in production, assembly, distribution and management services to build a power plant.

c) These consolidated financial statements include the assets, liabilities and the results of operations of the Company and its following subsidiaries:

Name of the subsidiary	Country of incorporation	Legal ownership %	Beneficial ownership / controlling interest %	Principal activity	License/ Registration no.
Sunroofs Enviro Solar Energy Systems LLC	United Arab Emirates	100%	100%	Electrical fitting contracting and solar energy system installation	801633
CleanMax IHQ (Thailand) Company Limited[i]	Thailand	100%	100%	Business management consulting and general service	105561090550
CleanMax Energy (Thailand) Co., Ltd.[ii]	Thailand	100%	100%	Production, assembly, distribution and management services to build a power plant.	0105562063327
Cleanmax Engineering (Thailand) Company Limited[iii]	Thailand	49%	100%	Business management consulting and general service	0105565163748

(i) Out of 500,000 shares, 1 share is held by individual as a nominee shareholder. The Parent company holds remaining 499,999 shares.
(ii) Out of 465,400 shares, 1 share is held by individual as a nominee shareholder. The Parent company holds remaining 465,399 shares.
(iii) Out of 500 shares, 255 shares are held by one company (Asian Legal Solutions Holding Co Ltd) as a nominee shareholder. The Parent company holds remaining 245 shares.

d) The parent and the ultimate parent company is Clean Max Enviro Solutions Pvt Ltd., India. The management and control are vested with Ms. Shivani Agrawal and Mr. Kuldeep Jain, Directors, who are Indian nationals.

2. **BASIS OF CONSOLIDATION**

a) The consolidated financial statements comprise the financial statements of the Parent company and its subsidiaries for the year ended 31 March 2024. Control is achieved when the Parent company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent company controls an investee if and only if the Parent company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.
- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual agreements.
- The Parent's voting rights and potential voting rights.

The Parent company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of subsidiaries begins when the Parent company obtains control over the subsidiary and ceases when the Parent company loses control of the subsidiaries. Assets, liabilities, income, and expenses of subsidiaries acquired or disposed off during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent company gains control until the date the Parent company ceases to control the subsidiaries.

Profit or loss and each component of other comprehensive income (OCI) are attributed to equity holders of the Parent company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to being their accounting policies into the line with the Group's accounting policies. All intra-group balances, transactions, income and expenses and profit and losses resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Losses within a subsidiary are attributable to the non-controlling interest even if that results in a deficit balance.

b) These consolidated financial statements comprise the net results of operations and the operating assets and liabilities of the Parent company and its subsidiaries consolidated on a line-by-line basis.

c) All material unrealised profit, where applicable on inter-company inventory/services that are purchased/availed have been eliminated.

d) The results of the subsidiaries acquired or disposed off during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as applicable.

e) The reporting date of above-mentioned entities are 31 March.

f) Non-controlling interest in the net assets of subsidiaries is identified separately from the Parent company's share of equity. The interest of non-controlling shareholders is the amount of interest at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Losses applicable to the non-controlling interest in excess of the non-controlling shareholders' interest in the subsidiaries' equity are allocated against the interest of the Parent company except to the extent that the non-controlling shareholders have a binding obligation and is able to make an additional investment to cover the losses.

3. BASIS OF PREPARATION

a) **Statement of compliance**

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 April 2023, and the requirements of the Dubai Airport Free Zone Implementing Regulations 2021.

b) **Basis of measurement**

The consolidated financial statements are prepared using historical cost, except for certain assets carried at fair value.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) **Going concern**

The consolidated financial statements are prepared on a going concern basis.

When preparing the consolidated financial statements, management makes an assessment of the Group's ability to continue as a going concern. Consolidated financial statements are prepared on a going concern basis unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Group has incurred a loss of AED 2,250,351 for the year ended 31 March 2024 and at that date, the Group's losses aggregated to AED 14,398,824. Further, the following subsidiaries of the Group have accumulated losses and net deficit in their equity funds:

(i) Sunroofs Enviro Solar Energy Systems LLC incurred a loss of AED 3,359,591 for the year ended 31 March 2024 and at that date its losses aggregated to AED 17,802,024 its current liabilities exceeded its current assets by AED 4,149,547 and had a net deficit of AED 4,280,658 in equity funds. Further, the Company is also subject to externally imposed capital requirements as per provisions of the Article 308 of the UAE Federal Law No. (32) of 2021

(ii) CleanMax IHQ (Thailand) Company limited incurred a loss of AED 11,059 for the year ended 31 March 2024 and at that date, the accumulated losses amounted to AED 2,488,554.

(iii) CleanMax Energy (Thailand) Co ltd. Limited incurred a loss of AED 658,736 for the year ended 31 March 2024, and at that date, the accumulated losses amounted to AED 931,435.

These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, the shareholder has agreed to continue with the operations of the Group and has agreed to provide continuing financial support to enable the Group to discharge its liabilities as and when they fall due. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

d) **Adoption of new International Financial Reporting Standards**

Standards, amendments, improvements and interpretations effective for the current year

The following standards, amendments, improvements and interpretations which became effective for current period, did not have any significant impact on the Group's consolidated financial statements:

- IFRS 17 – Insurance Contracts
- Amendments to IFRS 17 – Insurance Contracts
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 - International Tax Reform – Pillar Two Model Rules

New and revised IFRSs in issue but not yet effective and not early adopted

The following amendments, improvements and interpretations that are assessed by management as likely to have an impact on the consolidated financial statements, have been issued by the IASB prior to the date the consolidated financial statements were authorised for issue, but have not been applied in these consolidated financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to IAS 1 - Non-current Liabilities with Covenants (1 January 2024)
- Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangement (1 January 2024)
- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback (1 January 2024)
- Amendments to IAS 21 - Lack of Exchangeability (1 January 2025)
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold to an associate or a joint venture (The IASB postponed the effective date of this amendment indefinitely - Early adoption is permitted)
- IFRS S1 General Requirements for Disclosure of Sustainability Related Financial Information and IFRS S2 Climate Related Disclosures (Effective upon adoption by applicable regulatory)

e) **Functional and presentation currency**

Although the functional currencies of the Parent company and its subsidiaries are the local currency of the country of domicile in which they operate, the consolidated financial statements are presented in UAE Dirhams (AED) which is considered as the Group's reporting currency.

4. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Right-of-use assets	5-25 years
Solar equipment	25 years
Furniture and fixtures	5 years
Office equipment	5 years
Tools and equipment	5 years

Capital work-in-progress is stated at cost less any impairment losses and is not depreciated. This will be depreciated from the date the relevant assets are ready for use.

The Group has presented right-of-use assets representing the right to use the underlying assets under property, plant and equipment [Refer notes 4(o) and 7].

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 expenditure will flow to the Group and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other income/administrative expenses' in profit or loss.

b) **Impairment of tangible assets**

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

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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

c) **Investment in associates**

Investments where the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the share capital of the investee company, are treated as associates and accounted for under the equity method of accounting stating the investment initially at cost/fair value and adjusted for the Group's share of the changes in net assets of the investee company after the date of acquisition, and for any impairment in value.

d) **Investments in joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Such investments are treated as joint ventures and accounted under the equity method of accounting stating the investment initially at cost and adjusted for the Group's share of the changes in net assets of the investee company after the date of acquisition, and for any impairment in value.

e) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

Goods-in-transit represents the inventory over which Group has legal title based on terms of purchase, but which are physically not received at the Group's warehouse.

f) **Share premium**

The amount received in excess of the par value of equity shares has been classified as share premium under equity. Further, the transaction costs relating to additional shares issues deducted from the share premium under equity.

g) **Share application money**

The amount received as application money for issuance of equity shares in future has been classified as share application money under equity. Further, the transaction costs relating to additional shares issues deducted from the share application under equity.

h) **Staff benefits**

The Group provides staff end-of-service benefits to its non-UAE national employees as per the applicable local laws. The entitlement to these benefits is based on the employees' last drawn salary and length of services which is accrued over the period of employment. Provision for staff end-of-services benefits are disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave and air fare for eligible employees as per the policy of the Group. Provision relating to annual leave and air fare is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

i) **Statutory reserve**

Statutory reserve is created by appropriating 5% of the profit of, Sunroofs Enviro Solar Energy Systems LLC (the "subsidiary") as required by UAE Federal Law No. (32) of 2021. The shareholder may resolve to discontinue such deduction when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law. During the year, no transfer of statutory reserve has been made on account of loss incurred by the subsidiary.

j) **Revenue recognition**

The Group is in the business of solar energy systems & components trading and power generation, transmission & distribution equipment, electrical fitting contracting, solar energy system installation, sale of solar power and engaged in production, assembly, distribution and management services to build a power plant.

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

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: 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.
2. Identify the 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.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Group satisfies a performance obligation at a point in time or over time.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods
The Group has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

Sales of services
The Group has concluded that revenue from sale of services should be recognised over time using input method.

Sale of energy
Revenue from the supply of energy is recognised on the basis of electricity provided during the year on an accruals basis with reference to the meter readings.

Contract assets represents the energy income earned but not billed to the clients.

Construction contracts
Contract revenues are recognised over a period of time, based on the stage of completion of the contract activity. Revenue is measured based on the proportion of contract costs incurred for satisfying the performance obligation to the total estimated contract costs.

Contract revenues are recognised based on the stage of completion of the contract activity. Revenue is measured based on the proportion of contract costs incurred for satisfying the performance obligation to the total estimated contract costs, there being a direct relationship between the input and the productivity. Claims are accounted for as income when accepted by the customer.

Expected loss, if any, on contracts are recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

Contract modifications are accounted for, when additions, deletions or changes are approved either to the contract scope or contract price. Accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is a standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

k) **Contract costs**

Contract costs comprise costs incurred to fulfil a contract that meet all of the following criteria:

- The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- The costs are expected to be recovered under the terms of the contract with the customer.

Costs that relate directly to a contract (or a specific anticipated contract) include any of the following:

- Direct labor salaries and wages of employees who provide the promised services directly to the customer;
- Direct materials used in providing the promised services to a customer;
- Allocations of costs that relate directly to the contract or to contract activities, including costs of contract management and supervision, insurance, and depreciation of tools and equipment used in fulfilling the contract:
- Costs that are explicitly chargeable to the customer under the contract;
- Other costs that are incurred only because Group entered into the contract such as payments to subcontractors.

Depiction of a Group's performance might be to recognise revenue at an amount equal to the cost of a good used to satisfy a performance obligation if the Group expects at contract inception that all of the following conditions would be met:

- The good is not distinct.
- The customer is expected to obtain control of the good significantly before receiving services related to the good.
- The cost of the transferred good is significant relative to the total expected costs to completely satisfy the performance obligation.
- The Group procures the goods from a third party and is not significantly involved in designing and manufacturing the goods.

l) **Contract assets**

A Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised from the earned consideration that is conditional. The contract assets are transferred to receivable when the rights become unconditional.

m) **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group 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 Group performs under the contract.

n) **Interest income**

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

o) **Leases**

As a lessee

The Group has taken solar equipment and rooftop installation on lease. Rental contracts are typically made for fixed periods of 5 to 25 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased asset is not used as security for borrowing purposes.

Right-of-use assets

The Group recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial costs and
- restoration costs.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities
The Group recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

The Group uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments and uses the incremental borrowing rate at the commencement date of the lease if the profit rate implicit in the lease is not readily determinable. Further, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group leases office premises. Rental contracts are typically made for fixed periods of 12 months but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets may not be used as security for borrowing purposes.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

p) **Cash and cash equivalents**

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

q) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss except for foreign currency translation differences arising on account of presentation of assets and liabilities of subsidiaries for consolidation purposes, which are included in shareholder's funds.

The translation of financial statements of foreign subsidiaries into AED is performed for consolidated statement of financial position account using the exchange rate in effect at the reporting date and for revenue and expenses using the average exchange rate for the period. The exchange differences arising on the translation are recognised in other comprehensive income.

r) **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred except those that are attributable to the acquisition and construction of an asset that necessarily takes a substantial period to get ready for its intended use ("qualifying asset"). Such borrowing costs are capitalised as part of the related qualifying asset up to the date the qualifying asset is ready for use.

s) **Provisions**

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits 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 reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, it's 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, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

t) **Contingencies and commitments**

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

u) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person.

The Group charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which the Group cannot avail the credit is charged to the relevant expenditure category included in costs of non-current assets. The Group files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT payable are offset and the net amount is reported in the consolidated statement of financial position as the Group has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

v) **Taxation**

The tax expense for the period comprises current and deferred tax:

Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws or due to difference in the reporting year and tax year i.e. ending on March 31 for each year. Current tax is measured as the amount of tax payable in respect of taxable income for the period.

Deferred tax

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

w) **Provision for taxation**

Provision for tax is made as per the local tax regulations applicable for the current assessment year on the basis of taxable profits of the project office in India as computed by independent qualified tax consultant. Any tax liability that may arise in future on completion of pending tax assessment relating to earlier years are not expected to be material and would be paid for and accounted in these consolidated financial statements in the year in which the assessments are completed.

x) **Promotional privileges**

Subsidiaries in Thailand has been granted promotional privileges for production of solar rooftop power under the Investment Promotion Act as approved by the Board of Investment. Under these privileges, the subsidiary has received exemption from certain taxes and duties as detailed in the certificate, including exemption from corporate income tax from the amounts not exceeding 100% of capital investment excluding cost of land and working capital for a period of 8 years from the date of the first revenue earned (17 August 2020). The details of promotion certificates are as follows:

Promotion certificate number	Promotion certificate date
62-1314-1-00-1-0	28 November 2019
62-1228-1-00-1-0	15 November 2021
65-1534-1-00-1-0	2 December 2022
65-1554-1-00-1-0 & 65-1567-1-00-1-0	14 December 2022
66-1577-1-00-1-0	7 February 2023
66-0704-1-00-1-0; 66-0705-1-00-1-0 & 66-0706-1-00-1-0	29 May 2023
67-0137-1-00-1-0	25 January 2024

y) **Current versus non-current classification**

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

z) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income – debt investment; fair value through other comprehensive income – equity investment; or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Group's business model for managing them.

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

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

Financial liabilities are classified as financial liabilities at fair value through profit or loss or at amortised cost. The Group determines the classification of its financial liabilities at initial recognition.

Recognition
Financial assets and financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Derecognition
Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  (a) the Group has transferred substantially all the risks and rewards of the asset, or
  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement
A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets at amortised cost
Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any using the effective interest method.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of trade and other receivables, other financial assets, due from a related party and cash and cash equivalents.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at amortised cost comprise of current and non-current borrowings, loans from shareholder, trade and other payables, lease liabilities (current and non-current) and due to a related party.

Impairment of financial assets
The Group recognises an allowance for expected credit losses for investments in all debt instruments not held at fair value through profit or loss. expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:
- 12-month expected credit losses: expected credit losses that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses that result from all possible default events over the expected life of a financial instrument.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses, except for the following which are measured as 12-month expected credit losses:
- Bank balances, other receivable, due from a related party and other financial assets, for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses. The Group applies a simplified approach in calculating expected credit losses. The Group does not track changes in credit risk, but instead recognized a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when:

- The customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 360 days past due.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated 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.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Parent company.

za) **Fair value measurement**

The Group discloses the fair value of financial instruments measured at amortised cost.

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

5. **SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are as follows:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Group applies expected credit loss model to measure loss allowance in case of financial assets on the basis of 12-month expected credit losses or Lifetime expected credit losses depending on credit risk characteristics and how changes in economic factors affect expected credit losses, which are determined on a probability-weighted basis.

Leases

Determining the lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. The Group considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group 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.

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR"), which is equivalent to 6% to 7.77%, due to the absence of implicit rates in the lease contracts.

Management has applied judgments and estimates to determine the IBR at the transition date, using borrowing rates that certain financial institutions would charge the Group against financing the different types of assets it leases over different terms and different ranges of values. IBR is further adjusted for Group's specific risk, term risk and underlying asset risk. Majority of the leases are present in the U.A.E. and accordingly no adjustment for the economic environment was deemed required.

Investments in subsidiaries

Management considers that it has de-facto control over Cleanmax Engineering (Thailand) Company Limited even though it does not hold 100% voting rights. The investment is made by the Parent company and partly through one of the legal entities in Thailand, who is acting as a nominee shareholder on behalf of the Parent company. There is no history of other shareholders forming a group to exercise their votes collectively.

Investments in joint arrangements

Management considers that it has joint control over Kanoo Cleanmax Renewables Asset Co W.L.L wherein it holds 50% of the voting rights. Based on the contractual arrangements, unanimous consent is required from all the parties to the arrangement for all relevant activities.

The Kanoo Cleanmax Renewables Asset Co W.L.L has been structured as a limited liability company and provides the parties to the arrangement with rights to the net assets of the limited liability company under the arrangement. Consequently, the investment is classified as a joint venture.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

The Group determined that the sale of equipment and installation services are provided as a single component to customers and accordingly it becomes single performance obligation in respect of the services being performed. The equipment and installation are highly interdependent or highly interrelated as the Group will not be able to transfer the equipment if the customer declined installation services.

Determine timing of satisfaction of performance obligation

Contract revenue is recognised over time as performance obligations are fulfilled in accordance with IFRS 15 –Revenue from Contracts with Customers. The timing of revenue recognition is subject to judgement surrounding the costs expected to be incurred in completing the work, as revenue on contracts is recognised on a percentage completion basis.

6. **KEY SOURCES OF ESTIMATION UNCERTAINTY**

Key assumptions made 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 as follows:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Impairment

Assessments of net recoverable amounts of property, plant and equipment are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the 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 note 4(z).

Inventory provisions

Management regularly undertakes a review of the Group's inventory, stated at AED 4,583,066 (previous year AED 4,972,343) (including goods-in-transit) in order to assess the likely realization proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Staff end-of-service benefits

The entities in UAE of the Group compute the provision for the liability to staff end-of-service benefits stated at AED 250,608 (previous year AED 169,567), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

Project cost to complete estimates

At the end of each reporting period, the Group is required to estimate costs to complete contracts. Estimating costs to complete on such contracts requires the Group to make estimates of future costs to be incurred, based on work to be performed beyond the end of the reporting period. The Group uses internal quantity surveyors together with project managers to estimate the costs to complete for construction contracts. Factors such as changes in material prices, labour costs, defects liability costs and other costs are included in the contract cost estimates based on best estimates of the contract progress and remaining works at the year-end. These estimates also include the cost of potential claims by contractors and the cost of meeting other contractual obligations to the customers.

Contract variations and claims

Variations orders are accounted for prospectively based on the nature and price of additional products and services requested through the variation orders. During the year ended 31 March 2024, no amount of claim recognised as part of the revenue (previous year AED Nil).

The selling price includes variable consideration (including claims, re-measurable contract values and discounts) in the transaction price to which it expects to be entitled from the inception of the contract. The amount of variable consideration is restricted to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Going concern assessment

The Group has incurred a loss of AED 2,250,351 for the year ended 31 March 2024 and at that date, the Group's losses aggregated to AED 14,398,824. Notwithstanding this fact, the consolidated financial statements of the Group have been prepared on a going concern basis as the management of the Group believes that the future operations of the Group will generate sufficient profits and cashflows, the shareholder has resolved to continue its operations in the General Meeting held.

7. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use of assets[a] AED	Capital work-in-progress[b] AED	Solar equipment[c] AED	Furniture and fixtures AED	Office equipment AED	Tools and equipment AED	Total AED
Cost							
At 1 April 2022	--	10,025,270	7,859,261	18,741	30,551	--	17,933,823
Additions	--	14,131,785	68,644	133,223	--	32,500	14,366,152
Transfer	--	(12,102,505)	12,102,505	--	--	--	--
Disposals	--	(35,809)	(117,504)	(3,759)	(26,272)	--	(183,344)
At 31 March 2023	--	12,018,741	19,912,906	148,205	4,279	32,500	32,116,631
Additions	1,178,991	3,916,971	28,886,241	88,154	24,474	--	34,094,831
Transfer	--	(12,018,741)	12,018,741	--	--	--	--
Disposals	--		(54,679)	--	--	--	(54,679)
At 31 March 2024	**1,178,991**	**3,916,971**	**60,763,209**	**236,359**	**28,753**	**32,500**	**66,156,783**
Accumulated depreciation							
At 1 April 2022	--	--	510,548	12,847	6,602	--	529,997
Depreciation	--	--	657,786	24,211	--	5,788	687,785
Adjustment related to disposals	--	--	(13,177)	--	(4,528)	--	(17,705)
At 31 March 2023	--	--	1,155,157	37,058	2,074	5,788	1,200,077
Depreciation	104,404	--	1,954,476	27,522	16,267	7,052	2,109,721
Adjustment related to disposals	--	--	(3,478)	--	--	--	(3,478)
At 31 March 2024	**104,404**	--	**3,106,155**	**64,580**	**18,341**	**12,840**	**3,306,320**
Carrying amount							
At 1 April 2022	--	10,025,270	7,348,713	5,894	23,949	--	17,403,826
At 31 March 2023	--	12,018,741	18,757,749	111,147	2,205	26,712	30,916,554
At 31 March 2024	**1,074,587**	**3,916,971**	**57,657,054**	**171,779**	**10,412**	**19,660**	**62,850,463**

(a) This represents the right-to-use of solar equipment and rooftop installation on lease from 5 to 25 years located in Thailand. The assets are under the books of Cleanmax Energy (Thailand) Co. Ltd and Cleanmax IHQ (Thailand) Company Limited.

(b) Capital work-in-progress relating to construction of solar equipment are disclosed in note 37.

(c) Solar equipment with a cost of AED 60,763,209 (previous year AED 19,912,906) and a net book value of AED 57,657,054 (previous year AED 18,757,749) provide security to the third-party bank loan (refer note 21).

		2024	2023
		AED	AED
8.	**INVESTMENTS**		
a)	**Investment in associate**		
	Cleanmax Alpha LeaseCo FZCO, Dubai[a]		
	Share capital	204,000	180,000
	Fair value adjustment due to loss of control	15,685,200	15,685,200
	Additional investment acquired in current year[i]	9,176,000	--
	Share of profit (cumulative)	1,342,407	989,254
		26,407,607	16,854,454

(i) In current year, CleanMax Alpha LeaseCo FZCO purchased additional 24 shares of AED 1,000 each share from Marvel Bioscience FZE amounting AED 9,176,000 which resulted in increase in stake of the Company by 4.8% i.e. from 36% to 40.8%.

The nature of investment in an associate is as follows:

Name of associate	**Principal activities**	**Country of incorporation**	**Proportion (%) of ownership interest**	
			2024	2023
CleanMax Alpha LeaseCo FZCO[a]	Solar energy systems rental	UAE	40.80%	36%

(a) Aggregated summary financial information relating to the associates are as follows:

	2024	2023
	AED	AED
Assets	130,955,351	132,573,214
Liabilities	81,958,399	84,477,164
Revenue	16,472,578	12,887,693
Profit	900,902	2,157,121
Net assets of an associate	48,996,952	48,096,050
Interest in an associate	40.80%	36%
Share of profit from an associate	353,153	776,562

	2024 AED	2023 AED
b) INVESTMENT IN JOINT VENTURE		
50% interest in Kanoo Cleanmax Renewables Asset Co W.L.L, Bahrain		
Share capital at cost	49,573	--
Additional investments during the year	1,337,182	--
Share of profits	29,581	--
Total investment in joint ventures	1,416,336	--

The nature of investments in joint ventures is as follows:

Name of Joint venture	Principal activities	Country of incorporation	% of share capital held		% of beneficial ownership interest	
			2024	2023	2024	2023
Kanoo Cleanmax Renewables Asset Co W.L.L, Bahrain	Renting and operational leasing of machinery and equipment	Bahrain	50	50	50	50

Kanoo Cleanmax Renewables Asset Co W.L.L and Cleanmax Solar MENA FZCO are jointly controlled with equal beneficial interest between the venturers. There are no quoted market prices available for its shares.

Aggregated summary financial information relating to Kanoo Cleanmax Renewables Asset Co W.L.L, not adjusted for the proportion of ownership interest held by the Company is as follows:

Summarised statement of financial position

	2024 AED	2023 AED
Non-current assets		
- Property, plant and equipment	2,263,080	--
Current assets		--
- Trade and other receivables	196,586	--
- Cash and cash equivalent	2,819,865	--
Current assets	3,016,451	--
Total assets	5,279,531	--
Current liabilities	2,476,700	--
Total liabilities	2,476,700	--
Net assets	2,802,831	--

Summarised statement of profit or loss and other comprehensive income

	2024 AED	2023 AED
Revenue	263,326	--
Direct costs	(133,118)	--
Gross profit	130,208	--
Administrative expenses	(71,047)	--
Net profit	59,161	--

Reconciliation of summarised financial information

A reconciliation of summarised financial information presented to the carrying amount of investment in joint venture is as follows:

Net assets			
Total assets	(i)	5,279,531	--
Total liabilities	(ii)	2,476,700	--
	(i-ii)	2,802,831	--
Interest in Joint venture (%)		50%	--
Interest in Joint venture		1,416,336	--
Carrying value		1,416,336	--
TOTAL	(A+B)	27,823,943	16,854,454

9. **OTHER FINANCIAL ASSETS**

Debt instruments at amortised cost		
Long-term loan to a related party [a & b]	13,424,867	14,924,867
Other financial assets at amortised cost:		
Margin deposits[b]	2,380,368	99,000
	15,805,235	15,023,867
Disclosed under:		
Non-current financial assets	13,424,867	14,924,867
Current financial assets	2,380,368	99,000
	15,805,235	15,023,867

(a) This represents loans given to associate, CleanMax Alpha LeaseCo FZCO AED 13,424,867 (previous year AED 14,924,867). The loans are unsecured and without fixed repayment schedule. These loans carry a 6% per annum of interest (previous year 6% p.a.).

(b) A reconciliation of the movements in the long-term loan to a related party is as follows:

	2024	2023
	AED	AED
Opening balance	14,924,867	24,883,674
Loan repaid during the year	(1,500,000)	(9,958,807)
Closing balance	13,424,867	14,924,867

Interest receivables from the above loans amounting to AED 841,905 (previous year AED 344,359) is classified under other receivables.

(c) Represents deposits are held as security against bankers' letter of guarantee issued by the Group (note 38).

10. INVENTORIES

	2024	2023
Project materials	4,583,066	4,155,423
Goods-in-transit	--	816,920
	4,583,066	4,972,343

11. TRADE AND OTHER RECEIVABLES

	2024	2023
Trade receivables	6,165,866	1,993,781
Deposits	750,741	190,818
Other receivables	979,401	500,355
	7,896,008	2,684,954

The Group does not hold any collateral against trade receivables (previous year AED Nil).

An age analysis of trade receivables as at the reporting date is as follows:

	2024	2023
Not past due	2,843,792	--
0 – 90 days past due	1,804,194	1,987,722
91 – 180 days past due	1,384,503	--
More than 180 days past due	133,377	6,059
	6,165,866	1,993,781

12. OTHER CURRENT ASSETS

	2024	2023
Prepayments	345,543	592,354
Current tax receivables	487,534	--
Advance to vendors	423,699	2,115,938
Staff advances	52,989	175,033
VAT receivable (net)	2,042,506	1,786,078
	3,352,271	4,669,403

13. RELATED PARTIES

The Group enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise the parent and ultimate parent company/shareholder, associate, joint venture, directors, key management personnel.

At the reporting date, significant balances with related parties were as follows:

	Parent company	Associate	Joint venture	Director/key management personnel	Total 2024	Total 2023
	AED	AED	AED	AED	AED	AED
Long-term loan to a related party	--	13,424,867	--	--	**13,424,867**	
	--	14,924,867	--	--		14,924,867
Investment	--	26,407,607	1,416,336	--	**27,823,943**	
	--	16,854,454	--	--		16,854,454
Included in trade and other receivables	--	3,655,870	--	--	**3,655,870**	
	--	344,359	--	--		344,359
Contract assets	--	377,545	--	--	**377,545**	
	--	770,476	--	--		770,476
Contract liabilities	--	2,051,828	--	--	**2,051,828**	
	--	3,738,442	--	--		3,738,442
Included in other current liability	--	--	--	--	--	
	--	5,640,106	--	--		5,640,106
Due from a related party	--	3,495,655	--	--	**3,495,655**	
	236,444	--	--	--		236,444
Due to a related party	3,823,884	--	--	--	**3,823,884**	
	10,882,462	--	--	276,899		11,159,361
Loans from shareholder	28,121,857	--	--	--	**28,121,857**	
	18,365,488	--	--	--		18,365,488
Guarantee received	7,350,000	--	--	--	**7,350,000**	
	7,350,000	--	--	--		7,350,000
Provision for staff end-of-service benefits	--	--	--	--	--	
	--	--	--	8,186		8,186

All balances except guarantee received are unsecured and are expected to be settled in cash. Repayments and other terms are set out in notes 20, 21 and 36.

Significant transactions with related parties during the year were as follows:

	Parent	Associate	Director/key management personnel	Total 2024	Total 2023
	AED	AED	AED	AED	AED
Revenue	--	25,115,112	--	25,115,112	
	--	18,229,957	--		18,229,957
Direct costs	4,230,293			4,230,293	
	22,254,064	--	--		22,254,064
Director's remuneration	--	--	579,600	579,600	
	--	--	869,997		869,997
Interest income	--	874,575	--	874,575	
	--	1,508,253	--		1,508,253
Finance costs	1,516,088	--	--	1,516,088	
	1,498,686	--	--		1,498,686
Expenses recharged to a related party	125,000	--	--	125,000	
	--	--	--		--
Expenses recharged from a related party	189,784	--	--	189,784	
	167,036	641,797	--		808,833

The Group also receives funds from/provides funds to related parties as working capital facilities at fixed rates of interest.

Certain administrative related services are availed from a related party as per agreed rates.

	2024	2023
	AED	AED
14. CONTRACT ASSETS/CONTRACT LIABILITES		
Contract assets relating to costs incurred to fulfil a contract	7,158,311	6,647,982
Disclosed as:		
Current contract assets	7,158,311	6,647,982
Contract liabilities	2,689,624	7,765,142
Disclosed as:		
Current contract liabilities	2,689,624	7,765,142

		2024 AED	2023 AED
15.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	7,134	34,006
	Bank balances in current accounts	9,893,838	17,836,784
		9,900,972	17,870,790
16.	**SHARE CAPITAL**		
	Issued and paid up:		
	24,830 shares of AED 1,000 each (previous year 16,877 shares of AED 1,000 each)	24,830,000	16,877,000

Name	No. of shares	AED
Clean Max Enviro Energy Solutions Private Ltd., India	24,803	24,830,000

a) During the year vide an amendment to the memorandum of association, the Company has increased their share capital by issuance of additional 7,953 shares to CleanMax Enviro Energy Solutions Private Ltd. The shareholders as at 31 March 2024 and at 31 March 2023 and their interests as at that date in the share capital of the Company were as follows:

Name	At 31 March 2024				At 31 March 2023			
	No. of Shares	AED	% of holding	% of profit sharing	No. of Shares	AED	% of holding	% of profit sharing
CleanMax Enviro Energy Solutions Private Ltd.	24,830	24,830,000	100%	100%	16,877	16,877,000	100%	100%
	24,830	24,830,000	100%	100%	16,877	16,877,000	100%	100%

		2024 AED	2023 AED
17.	**SHARE PREMIUM**		
	Opening balance	19,830,420	887,440
	Premium on additional shares issued during the year	24,473,361	19,019,100
	Transaction costs	(111,380)	(76,120)
	Closing balance	44,192,401	19,830,420

(a) Share premium of AED 44,379,801 (net transaction cost of AED 242,060) arising out of 19,280 shares issued during the year ended 31 March 2024.

		2024 AED	2023 AED
18.	**SHARE APPLICATION MONEY**		
	Opening balance	14,775,948	9,017,200
	Share application money on additional shares	--	34,796,848
	Allotment of shares	(14,775,948)	(29,038,100)
		--	14,775,948
19.	**NON-CONTROLLING INTEREST**		
	Opening balance	155,996	153,000
	Share application money for issuance of additional shares	--	2,996
	Acquisition of minority stake	(153,000)	--
	Closing balance	2,996	155,996

This represents share of Cleanmax Engineering (Thailand) Company Limited, Thailand.

		2024 AED	2023 AED
20.	**LOANS FROM SHAREHOLDER**		
	Opening balance	18,365,488	24,425,061
	Receipts during the year (net)	9,200,000	14,000,000
	Interest credited	1,516,088	1,498,686
	Interest paid	(959,719)	(1,606,259)
	Loan paid during the year	--	(19,952,000)
	Closing balance	28,121,857	18,365,488

(a) This represents interest bearing loans received from the shareholder with a maturity of one to three years from the date of receipt of loans as at reporting date.

(b) Below are the loans details:

- Loan amounting to AED 3,426,204 is repayable within a year and subject to an interest rate at 6% per annum.
- Loan amounting to AED 15,047,123 is subject to an interest rate at 6% per annum having maturity till 7 September 2025.
- Loan amounting to AED 169,754 is subject to an interest rate at 10% per annum having maturity till 24 November 2025.
- Loan amounting to AED 9,478,776 is subject to an interest rate at 6% per annum having maturity till 3 July 2026.

	2024 AED	2023 AED
Disclosed as:		
Non-current portion	24,695,653	17,701,527
Current portion	3,426,204	663,961
	28,121,857	18,365,488

21. LONG-TERM BORROWINGS

	2024 AED	2023 AED
Long-term loan from third party	43,689,542	14,519,493
Less: Current portion – loan from third party (note 24)	(2,042,300)	(668,360)
	41,647,242	13,851,133

The movements for loan from third party is as under:

	2024 AED	2023 AED
Opening balance	14,519,493	15,594,515
Amount recovered	--	(1,075,022)
Amount advanced as loan	29,170,049	--
Closing balance	43,689,542	14,519,493

- On 7 July 2023 and 1 September 2023, the Group had entered into a long-term loan agreement with a lender amounting to AED 18,622,123 and AED 12,486,007, carrying interest rate of 6.63% and 7.85% per annum respectively. The principal amount and interest are repayable half-yearly in June and December every year. The last instalment of both the loans is due on June 2027.
- On 19 June 2020 and 21 March 2022, the Group had entered into a long-term loan agreement with a lender amounting to AED 6,854,134 and AED 8,740,381, carrying interest rate of 5.80% and 5.29% per annum respectively. The principal amount and interest are repayable half-yearly in June and December every year. The last instalment of both the loans is due on June 2025.

The Group has mortgaged power generation equipment to secure these loans [refer note 7(c)].

22. PROVISION FOR STAFF END-OF-SERVICE-BENEFITS

	2024 AED	2023 AED
Opening balance	169,567	173,720
Provision for the year	88,705	124,278
Transfer from a related party	--	65,254
Transfer to a related party	--	(2,527)
Paid during the year	(7,664)	(191,158)
Closing balance	250,608	169,567

	2024 AED	2023 AED
23. LEASE LIABILITIES		
Lease liabilities for long-term lease of solar equipment and rooftop installation	1,106,293	--

Disclosed in the consolidated statement of financial position as follows:

Non-current liabilities	972,955	--
Current liabilities	133,338	--
	1,106,293	--

A reconciliation of the movements in the lease liabilities is as follows:

At 1 April	--	--
Addition made during the year	1,178,991	--
Finance cost on lease liabilities (note 33)	45,870	--
Payments made during the year	(118,568)	--
At 31 March	1,106,293	--

A maturity analysis of undiscounted lease liabilities is as follows:

0 - 3 months	133,338	--
Presented as current liabilities	133,338	--
1 year – 25 years	1,371,262	--
Total	1,504,600	--

Reconciliation of undiscounted lease liabilities to the lease liabilities as stated in the consolidated statement of financial position is as follows:

Lease payments due	1,504,600	--
Less: Finance cost on leases	(398,307)	--
Disclosed in the statement of financial position	1,106,293	--

24. SHORT-TERM BORROWINGS		
Current portion of long-term loans (note 21)	2,042,300	668,360

(i) A maturity analysis of loan from third party are as follows:

	2024	2023
	AED	AED
1 – 3 months	412,127	134,872
3 months – 1 year	1,630,173	533,488
Total	2,042,300	668,360

(ii) Bank facilities from Mashreq Bank are secured by financial bank guarantee of AED 7,350,000 (previous year AED 7,350,000) received from the parent company.

The bank borrowings are subject to certain financial covenants such as minimum monthly account turnover routing (excluding any TR / LBD credits) of AED 500,000.

25. **TRADE AND OTHER PAYABLES**

	2024	2023
Trade payables	3,743,494	1,000,542
Accruals	6,225,898	1,909,652
Accrued interest	1,016,941	279,028
Other payables	21,564	313,748
	11,007,897	3,502,970

The entire trade and other payables are due for payment within one year from the reporting date.

26. **OTHER CURRENT LIABILITIES**

	2024	2023
Advance for goods and services	242,428	5,640,106
Employee related payables	--	1,578
	242,428	5,641,684

27. **MANAGEMENT OF CAPITAL**

The Group's objectives when managing capital are to ensure that the Group continues as a going concern and to provide the shareholder with a rate of return on their investment commensurate with the level of risk assumed.

Capital comprises equity funds as presented in the consolidated statement of financial position along with loans from the shareholder, share premium and amounts due to/from related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Group is subject to externally imposed capital requirements as per provisions of the bank facilities availed. Sunroofs Enviro Solar Energy Systems LLC (the subsidiary company) has accumulated losses exceeding 50% of its share capital, the shareholders of the subsidiary company have resolved to continue with the operations of the subsidiary company. The Group has complied with all the capital requirements to which it is subject.

Funds generated from internal accruals together with funds received from a shareholder are retained in the business according to the business requirements to maintain the capital at desired levels.

28. REVENUE

The Group generates revenue from the transfer of services over time. The disaggregated revenue from contracts with customers by geographical segments, type of services and timing of revenue recognition is presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Group's revenue and cash flows.

	2024 AED	2023 AED
Primary geographical segments		
- U.A.E	38,279,833	37,019,266
- Thailand	11,892,009	2,566,573
- Bahrain	2,766,120	--
	52,937,962	39,585,839
Major good/service lines		
Construction/installation projects		
- Revenue from projects	47,716,811	35,213,566
Sale of goods		
- Sale of energy	2,953,803	2,353,511
Operation and maintenance		
- Operating maintenance	2,267,348	2,018,762
	52,937,962	39,585,839
Timing of revenue recognition		
- Over time	52,937,962	39,585,839

29. COST OF SALES

	2024 AED	2023 AED
Purchases (Including direct expenses)	41,044,740	42,837,057
Depreciation (note 7)	2,058,880	657,786
	43,103,620	43,494,843

30. OTHER INCOME

	2024 AED	2023 AED
Credit balances written back	29,927	--
Miscellaneous income	128,860	90,776
	158,787	90,776

		2024 AED	2023 AED
31.	**ADMINISTRATIVE EXPENSES**		
	Staff salaries and benefits[a]	4,857,140	3,958,544
	Staff end-of-service benefits	88,705	124,278
	Expenses relating to short-term leases	100,493	97,981
	Commission and referral fees	447,399	225,098
	Legal and professional fees	500,765	1,536,750
	Recruitment expenses	204,350	114,253
	Travel and conveyance	329,176	300,065
	Depreciation (note 7)	50,841	29,999
	Other expenses	2,713,140	836,268
		9,292,009	7,223,236

(a) This includes director's remuneration of AED 579,600 (previous year AED 869,997).

		2024 AED	2023 AED
32.	**INTEREST INCOME**		
	On loan to a related party	871,128	1,508,253
	On bank deposits	46,678	6,575
		917,806	1,514,828
33.	**FINANCE COSTS**		
	On lease liabilities	45,870	--
	On bank overdrafts	210,738	391,591
	On loan from a third party	2,209,280	757,438
	On loan from a shareholder	1,516,088	1,498,686
		3,981,976	2,647,715
34.	**DEPRECIATION**		
	Depreciation on property plant and equipment (note 7)[a]	2,109,721	687,785
	Allocated to:		
	Cost of sales (note 29)	2,058,880	657,786
	Administrative and selling expenses (note 31)	50,841	29,999
		2,109,721	687,785

a) Includes depreciation on Right-of-Use assets of AED 104,404 (previous year AED nil).

	2024	2023
	AED	AED
35. INCOME TAX		
Current tax expense		
Current tax on profits for the year	270,035	--
Taxes paid in current year	757,569	--

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
	2024	2023
	AED	AED
Financial assets		
Trade and other receivables	7,896,008	2,684,954
Due from a related party	3,495,655	236,444
Other financial assets (current and non-current)	15,805,235	15,023,867
Cash and cash equivalents	9,900,972	17,870,790
	37,097,870	35,816,055
Financial liabilities		
Long-term borrowings	41,647,242	13,851,133
Short-term borrowings	2,042,300	668,360
Trade and other payables	11,007,897	3,502,970
Due to a related party	3,823,884	11,159,361
Lease liabilities (current and non-current)	1,106,293	--
Loans from shareholder (current and non-current)	28,121,857	18,365,488
	87,749,473	47,547,312

Fair value measurement and disclosures

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, trade and other receivables, other financial assets (current), due from a related party, short-term borrowings, trade and other payables, current lease liabilities, due to a related party and loans from shareholder (current portion) approximate their carrying amounts largely due to the short-term maturities of these instruments

The following methods and assumptions were used to determine the fair values of other financial assets/liabilities:

Non-current financial assets are evaluated by the Group using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible inputs are based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customers and credit risks characteristics. As at the reporting date, the carrying amounts of such receivables, net of provisions, are not materially different from their fair values.

Fair values of loans from shareholder are estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amount of such liability, is not materially different from its fair value.

Fair value of non-current lease liabilities and long-term borrowings is estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such liabilities, are not materially different from their fair values.

Financial risk management

Risk management objectives

Risk is inherent in the Group's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability. The Group's risk management focusses on actively securing short to medium term cash flows by minimizing the exposure to financial markets.

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

The management of the Group reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the third party to incur a financial loss.

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Financial assets that potentially expose the Group to concentrations of credit risk comprise principally bank accounts, trade and other receivables, due from a related party and other financial assets.

The Group's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from trade receivables and other receivables, loan to related party and due from a related party taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

Amounts due from a related party relate to transactions arising in the normal course of business with minimal credit risk. For the year ended 31 March 2024, the group has not recorded any allowance for expected credit losses of the amounts owned by the related parties (2023: AED nil).

At the reporting date, the Group's maximum exposure to credit risk from such receivables situated outside the UAE is as follows:

	2024 AED	2023 AED
Trade receivables		
Middle East countries	2,766,120	--

At the reporting date 99% of trade receivables was due from four customers (previous year 95.32% due from two customers).

At the reporting date 100% of due from a related party are due from a related party (previous year 98.75% due from a related party).

At the reporting date, there is no significant concentration of credit risk from any particular industry as the Group's customers are from diverse industries.

The Group uses an allowance matrix to measure the expected credit losses of trade receivables and contract assets. Loss rates are calculated using a 'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

Liquidity risk
Liquidity risk is the risk that the Group may encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group limits its liquidity risk by ensuring adequate bank facilities are available.

The table below summarises the maturities of the Group's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year		One to five years		Total	
	2023	2022	2023	2022	2023	2022
	AED	AED	AED	AED	AED	AED
Long-term borrowings	--	--	41,647,242	13,851,133	41,647,242	13,851,133
Short-term borrowings	2,042,300	668,360	--	--	2,042,300	668,360
Lease liabilities	133,338	--	1,371,262	--	1,504,600	--
Trade and other payables	11,007,897	3,502,970	--	--	11,007,897	3,502,970
Loans from shareholder	3,426,204	663,961	24,695,653	17,701,527	28,121,857	18,365,488
Due to a related party	3,823,884	11,159,361	--	--	3,823,884	11,159,361
	20,433,623	15,994,652	67,714,157	31,552,660	88,147,780	47,547,312

Market risk
Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Group's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns.

Currency risk
Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirham or US Dollar to which the Dirham is fixed, except for the following:

	2024 AED	2023 AED
Cash and bank balances		
Great British Pound	**3,603**	3,540
Trade payable		
Thai Bhat	**742,526**	212,217

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

Loan from third party and loans from shareholder are subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed to fair value interest rate risk.

		2024	2023
37.	**OTHER CONTRACTED COMITEMENTS**		
	For construction of solar equipment (note 7)	**28,179,509**	32,824,701
38.	**CONTINGENT LIABILITIES**		
	Bankers' letter of guarantee (note 9)	**3,409,301**	3,541,583

39. **COMPARATIVE FIGURES**

Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable to those of the current period.

40. **CORPORATE TAX**

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the 'CT Law') to enact a Federal Corporate Tax ('CT') regime in the UAE. The CT Law is effective for the financial years beginning on or after 1 June 2023. Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply and accordingly, the CT Law is now considered to be substantively enacted.

For the Group, current taxes shall be accounted as appropriate in the consolidated financial statements for the accounting period beginning 1 April 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the financial year ended 31 March 2024.

Based on the information available to date, the Group has assessed the deferred tax implications for the year ended 31 March 2024 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that deferred tax implications are not expected to be material.

The Group shall continue to monitor critical Cabinet Decisions to determine the impact on the Group, from deferred tax perspective.

For **CLEANMAX SOLAR MENA FZCO**

DIRECTOR

CLEANMAX SOLAR MENA FZCO

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 31 MARCH 2024

CLEANMAX SOLAR MENA FZCO

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 MARCH 2024

CONTENTS	PAGE

PKF - Chartered Accountants (Dubai Br)
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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of CLEANMAX SOLAR MENA FZCO

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CLEANMAX SOLAR MENA FZCO (the "Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates (U.A.E), 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.

Emphasis of Matter

We draw attention to note 2(a) to the financial statements, which states that these financial statements relate to separate financial statements of the Company. The consolidated financial statements of the Company and its subsidiaries which are required to be presented in accordance with International Financial Reporting Standard 10: Consolidated Financial Statements are presented separately. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with applicable provision of the Dubai Airport Free Zone Implementing Regulations 2021, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

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

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

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

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

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

continued...

Accountants &
business advisers

INDEPENDENT AUDITOR'S REPORT
(continued)

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

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
We further confirm that the financial statements comply with the applicable provisions of the Dubai Airport Free Zone Implementing Regulations 2021.

For **PKF**

Lalwani

AUDITORS
PKF
U.A.E.

Saranga Lalwani
Partner
Registration no. 5468
Dubai
United Arab Emirates
6 May 2024

CLEANMAX SOLAR MENA FZCO

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Notes	2024 AED	2023 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	94	559
Investments	7	76,359,211	38,480,149
Other financial assets	8	15,164,045	18,941,293
		91,523,350	57,422,001
Current assets			
Inventories	9	--	3,519,103
Trade and other receivables	10	6,669,697	2,731,893
Other current assets	11	311,625	131,426
Due from related parties	12	8,882,219	9,572,270
Contract assets	13	2,074,642	1,690,315
Other financial assets	8	64,000	55,000
Cash and cash equivalents	14	1,062,874	6,525,399
		19,065,057	24,225,406
Total assets		110,588,407	81,647,407
EQUITY AND LIABILITIES			
Equity funds			
Share capital	15	24,830,000	16,877,000
Share premium	16	44,192,401	19,830,420
Share application money	17	--	14,775,948
Retained earnings		8,240,421	8,051,213
Total equity funds		77,262,822	59,534,581
Non-current liabilities			
Loans from shareholder	18	24,695,653	17,701,527
Provision for staff end-of-service benefits	19	89,172	71,221
		24,784,825	17,772,748
Current liabilities			
Loans from shareholder	18	3,426,204	663,961
Due to related parties	12	1,954,039	1,138,531
Trade and other payables	21	2,191,155	589,581
Other current liabilities	22	331,566	325,494
Contract liabilities	13	637,796	1,622,511
		8,540,760	4,340,078
Total liabilities		33,325,585	22,112,826
Total equity and liabilities		110,588,407	81,647,407

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

The report of the independent auditor is set forth on pages 1 to 3.

I confirm that i am responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. I confirm that I have made available all relevant accounting records and information for their compilation.

Approved and authorised for issue by the shareholder on 29 April 2024 and signed on their behalf by Ms. Shivani Agrawal.

For **CLEANMAX SOLAR MENA FZCO**

DIRECTOR Shivani

CLEANMAX SOLAR MENA FZCO

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 AED	2023 AED
Revenue	24	23,232,564	32,725,579
Direct costs	25	(21,189,553)	(34,599,855)
Gross profit/(loss)		2,043,011	(1,874,276)
Other income	26	64,959	69,926
Share of profit from associate	7 (a)	353,153	776,562
Share of profit from joint venture	7 (d)	29,581	--
Administrative expenses	27	(1,541,227)	(1,462,776)
Interest income	28	1,005,118	1,696,720
Finance costs	29	(1,765,387)	(1,777,598)
PROFIT/(LOSS) FOR THE YEAR		189,208	(2,571,442)
Other comprehensive income:			
Other comprehensive income for the year		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		189,208	(2,571,442)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

CLEANMAX SOLAR MENA FZCO

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Share capital AED	Share premium AED	Share application money AED	Retained earnings AED	Total AED
Balance at 1 April 2022	6,858,000	887,440	9,017,200	10,622,655	27,385,295
Share application money on additional shares	--	--	5,758,748	--	5,758,748
Allotment of shares	10,019,000	19,019,100	--	--	29,038,100
Transaction costs	--	(76,120)	--	--	(76,120)
Total comprehensive income for the year	--	--	--	(2,571,442)	(2,571,442)
Balance at 31 March 2023	16,877,000	19,830,420	14,775,948	8,051,213	59,534,581
Allotment of shares	7,953,000	24,473,361	(14,775,948)	--	17,650,413
Transaction costs	--	(111,380)	--	--	(111,380)
Total comprehensive income for the year	--	--	--	189,208	189,208
Balance at 31 March 2024	**24,830,000**	**44,192,401**	--	**8,240,421**	**77,262,822**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

CLEANMAX SOLAR MENA FZCO

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	2024 AED	2023 AED
Cash flows from operating activities		
Profit/(loss) for the year	189,208	(2,571,442)
Adjustments for:		
Depreciation of property, plant and equipment	465	1,357
Interest income	(1,005,118)	(1,696,720)
Finance costs	1,765,387	1,777,598
Credit balance written back	(29,927)	--
Share of profit from associate	(353,153)	(776,562)
Share of profit from joint venture	(29,927)	--
Provision for staff end-of-service benefits	17,951	57,426
	555,232	(3,208,343)
Changes in:		
- Inventories	3,519,103	2,137,497
- Trade and other receivables	(3,596,796)	(831,625)
- Other current assets	(180,199)	(27,116)
- Contract assets	(384,327)	(726,245)
- Trade and other payables	1,631,501	(6,210,208)
- Other current liabilities	6,072	194,934
- Contract liabilities	(984,715)	(1,424,911)
Staff end-of-service benefits paid	--	(182,493)
Interest paid	(1,209,018)	(1,885,171)
Net cash used in operating activities	(643,147)	(12,163,681)
Cash flows from investing activities		
Investments in subsidiaries	(26,909,573)	(11,403,840)
Investments in joint venture	(1,386,755)	--
Investment in associates	(9,200,000)	--
Receipts from/(payments to) related parties (net)	690,051	(8,247,161)
Loan repaid by a related party (net)	3,777,248	7,161,771
(Increase)/decrease in other financial assets (net)	(9,000)	1,074,322
Interest received	664,110	2,012,456
Net cash used in investing activities	(32,373,919)	(9,402,452)
Cash flows from financial activities		
Receipts from share application money	--	34,796,848
Issue of share capital	7,953,000	--
Receipts of share premium money (net)	9,697,413	--
Payment of transaction costs	(111,380)	(76,120)
Loan availed from/(repayment of loan to) shareholder (net)	9,200,000	(5,952,000)
Receipts from/(payments to) a related party (net)	815,508	(1,360,513)
Net cash from financing activities	27,554,541	27,408,215
Net (decrease)/increase in cash and cash equivalents	(5,462,525)	5,842,082
Cash and cash equivalents at beginning of year	6,525,399	683,317
Cash and cash equivalents at end of year (note 14)	1,062,874	6,525,399

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

The report of the independent auditor is set forth on pages 1 to 3.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **CLEANMAX SOLAR MENA FZCO** (the "Company") is a free zone Company with limited liability incorporated in Dubai, United Arab Emirates under Implementing Regulation No. 1/98 issued by the Dubai Airport Free Zone Authority pursuant to Law No. 2 of 1996 and its amendment No. (2) of 2000 and amendment Law No. (25) of 2009 (repealed by Dubai Airport Free Zone Authority Company Regulations 2021). The Company was registered on 23 May 2017 under a commercial license no. 3348 and commenced its operations since then. The registered address is 2E M032, Dubai Airport Free Zone, Dubai, U.A.E.

b) The Company's principal activity during the year was of solar energy systems & components trading and power generation, transmission & distribution equipment.

c) The parent and ultimate parent company is Clean Max Enviro Energy Solutions Private Ltd., India. The management and control are vested with Ms. Shivani Agrawal, Director and Mr. Kuldeep Jain, Director, Indian nationals. Mr. Kuldeep Jain is the ultimate beneficiary owner of the Company.

2. **BASIS OF PREPARATION**

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 January 2023, and the requirements of the Dubai Airport Free Zone Implementing Regulations 2021.

These financial statements are the separate financial statements of the Company. The consolidated financial statements of the Company and its subsidiaries which are required to be presented in accordance with International Financial Reporting Standard 10: Consolidated Financial Statements are presented separately.

b) **Basis of measurement**

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing the financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

d) **Adoption of new International Financial Reporting Standards**

Standards, amendments, improvements and interpretations effective for the current year.

The following standards, amendments, improvements and interpretations which became effective for current period, did not have any significant impact on the Company's financial statements:

- IFRS 17 – Insurance Contracts
- Amendments to IFRS 17 – Insurance Contracts
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 - International Tax Reform – Pillar Two Model Rules

New and revised IFRSs in issue but not yet effective and not early adopted

The following amendments, improvements and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to IAS 1 - Non-current Liabilities with Covenants (1 January 2024)
- Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangement (1 January 2024)
- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback (1 January 2024)
- Amendments to IAS 21 - Lack of Exchangeability (1 January 2025)
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold to an associate or a joint venture (The IASB postponed the effective date of this amendment indefinitely - Early adoption is permitted)
- IFRS S1 General Requirements for Disclosure of Sustainability Related Financial Information and IFRS S2 Climate Related Disclosures (Effective upon adoption by applicable regulatory)

e) **Functional and presentation currency**

The financial statements are presented in UAE Dirhams ("AED") which is also the Company's functional currency.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Furniture, fixture and office equipment	5 years

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 expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/administrative expenses' in profit or loss.

b) **Impairment of tangible assets**

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

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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

c) **Investments in subsidiaries**

Subsidiaries are entities over which the Company exercises control. Control is achieved when the Company is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The investment in subsidiaries is accounted for at cost less impairment losses, if any. Consolidated financial statements of the Company and its subsidiaries are presented separately.

d) **Investments in associates**

Investments where the Company has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the share capital of the investee Company, are treated as associates and accounted for under the equity method of accounting stating the investment initially at cost and adjusted for the Company's share of the changes in net assets of the investee company after the date of acquisition, and for any impairment in value.

e) **Investments in joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Such investments are treated as joint ventures and accounted under the equity method of accounting stating the investment initially at cost and adjusted for the Group's share of the changes in net assets of the investee company after the date of acquisition, and for any impairment in value.

f) **Share application money**

The amount received as application money for issuance of equity shares in future has been classified as share application money under equity. Further, the transaction costs relating to additional shares issues deducted from the share application under equity.

g) **Share premium**

The amount received in excess of the par value of equity shares has been classified as share premium under equity. Further, the transaction costs relating to additional shares issues deducted from the share premium under equity.

h) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) method and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

Goods-in-transit represents the inventory over which Company has legal title based on terms of purchase, but which are physically not received at the Company's warehouse.

i) **Staff benefits**

The Company provides staff end-of-service benefits to its non-UAE national employees as per the applicable local laws. The entitlement to these benefits is based on the employees' last drawn salary and length of services which is accrued over the period of employment. Provision for staff end-of-services benefits are disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave and air fare for eligible employees as per the policy of the Company. Provision relating to annual leave and air fare is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

j) **Revenue recognition**

The Company is in the business of solar energy systems & components trading and power generation, transmission & distribution equipment.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: 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.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods

The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

Sales of services

The Company has concluded that revenue from sale of services should be recognised over time using input method.

Construction contracts

Contract revenues are recognised over a period of time, based on the stage of completion of the contract activity. Revenue is measured based on the proportion of contract costs incurred for satisfying the performance obligation to the total estimated contract costs.

Contract revenues are recognised based on the stage of completion of the contract activity. Revenue is measured based on the proportion of contract costs incurred for satisfying the performance obligation to the total estimated contract costs, there being a direct relationship between the input and the productivity. Claims are accounted for as income when accepted by the customer.

Expected loss, if any, on contracts are recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

Contract modifications are accounted for, when additions, deletions or changes are approved either to the contract scope or contract price. Accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is a standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

k) **Contract assets**

A Contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised from the earned consideration that is conditional. The contract assets are transferred to receivable when the rights become unconditional.

l) **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company 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 Company performs under the contract.

m) **Leases**

As a lessee

The Company leases office premises. Rental contracts are typically annually but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

n) **Cash and cash equivalents**

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

o) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

p) **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred except those that are attributable to the acquisition and construction of an asset that necessarily takes a substantial period to get ready for its intended use ("qualifying asset"). Such borrowing costs are capitalised as part of the related qualifying asset up to the date the qualifying asset is ready for use.

q) **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits 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 reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, it's 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, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

Onerous contract

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

r) **Contingencies and commitments**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

s) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person.

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which the Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Company also files its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT payable are offset and the net amount is reported in the statement of financial position as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

t) **Deferred tax**

Deferred tax is recognised on temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences.

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

u) **Current versus non-current classification**

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

v) **Financial instruments**

Classification

On initial recognition, a financial asset is classified and measured at: amortised cost; fair value through other comprehensive income – debt investment; fair value through other comprehensive income – equity investment; or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Company's business model for managing them.

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

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

Financial liabilities are classified as financial liabilities at fair value through profit or loss or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

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

Financial liabilities are de-recognised when, and only when, they are extinguished i.e., when obligation specified in the contract is discharged, cancelled or expired.

Measurement
A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets at amortised cost
Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss, if any, using the effective interest method.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.
Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of other financial assets, trade and other receivables, due from related parties and cash and cash equivalents.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at amortised cost comprise of trade and other payables, due to related parties and loans from shareholder.

Impairment of financial assets
The Company recognises an allowance for expected credit losses for investments in all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month expected credit losses: Expected credit losses that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: Expected credit losses that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime expected credit losses, except for the following which are measured as 12-month expected credit losses:

- Bank balances, other financial assets, due from related parties and other receivables for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses. The Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit risk assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- The customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 360 days past due.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

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.

Equity

Share capital is recorded at the value of proceeds received/receivable towards interest in share capital of the Company.

w) **Fair value measurement**

The Company discloses the fair value of financial instruments measured at amortised cost.

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

4. **SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Company applies expected credit loss model to measure loss allowance in case of financial assets on the basis of 12-month expected credit losses or Lifetime expected credit losses depending on credit risk characteristics and how changes in economic factors affect expected credit losses, which are determined on a probability-weighted basis.

Investments in joint arrangements
Management considers that it has joint control over Kanoo Cleanmax Renewables Asset Co W.L.L wherein it holds 50% of the voting rights. Based on the contractual arrangements, unanimous consent is required from all the parties to the arrangement for all relevant activities.

The Kanoo Cleanmax Renewables Asset Co W.L.L has been structured as a limited liability company and provides the parties to the arrangement with rights to the net assets of the limited liability company under the arrangement. Consequently, the investment is classified as a joint venture.

Recognition of revenue and allocation of transaction price
Identification of performance obligations
The Company determined that the sale of goods and services is provided as a single component to customers and accordingly it becomes single performance obligation in respect of the goods being sold.

Determine timing of satisfaction of performance obligation
The Company concluded that the revenue from sales of goods is to be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Company concluded that the revenue from construction projects and operations and management services is to be recognised over time as the customer simultaneously receives the benefit as the Company performs.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made 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 as follows:

Carrying values of property, plant and equipment
Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Impairment

Assessments of net recoverable amounts of property, plant and equipment are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the 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 note 3(v).

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 89,172 (previous year AED 71,221), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

Contract variations and claims

Variations orders are accounted for prospectively based on the nature and price of additional products and services requested through the variation orders. During the year ended 31 March 2024, no amount of claim recognised as part of the revenue (previous year AED Nil).

The Company includes variable consideration (including claims, re-measurable contract values and discounts) in the transaction price to which it expects to be entitled from the inception of the contract. The amount of variable consideration is restricted to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and office equipment AED
Cost	
At 1 April 2022, at 31 March 2023 and at 31 March 2024	7,069
Accumulated depreciation	
At 1 April 2022	5,153
Depreciation	1,357
At 31 March 2023	6,510
Depreciation	465
At 31 March 2024	6,975
Carrying amount	
At 1 April 2022	1,916
At 31 March 2023	559
At 31 March 2024	94

7. INVESTMENTS

	2024 AED	2023 AED
a) Investment in an associate		
CleanMax Alpha LeaseCo FZCO, Dubai		
Fair value adjustment due to loss of control	15,685,200	15,685,200
Share capital at cost	204,000	180,000
Additional investment acquired in current year[i]	9,176,000	–
Share of comprehensive income (cumulative)	1,342,407	989,254
	26,407,607	16,854,454

(i) In current year, CleanMax Alpha LeaseCo FZCO purchased additional 24 shares of AED 1,000 each share from Marvel Bioscience FZE amounting AED 9,176,000 which resulted in increase in stake of the Company by 4.8% i.e. from 36% to 40.8%.

The nature of investment in an associate is as follows:

Name of associate	Principal activity	Country of incorporation	Proportion (%) of ownership interest 2024	2023
CleanMax Alpha LeaseCo FZCO[a]	Solar energy systems rental	UAE	40.80%	36%

(a) Aggregated summary financial information relating to the associates are as follows:

	2024 AED	2023 AED
Assets	130,955,351	132,573,214
Liabilities	81,958,399	84,477,164
Revenue	16,472,578	12,887,693
Profit	900,902	2,157,121
Net assets of an associate	48,996,952	48,096,050
Interest in an associate	40.80%	36.00%
Share of profit from associate	353,153	776,562

b) **Investment in subsidiaries**

	2024 AED	2023 AED
Sunroofs Enviro Solar Energy Systems LLC[i]	13,520,000	147,000

(i) In current year, the Company made additional investment in subsidiary of AED 13,220,000 by converting the subsidiary into a wholly owned subsidiary of the Company. Along with above, the remaining share of non-controlling interest of AED 153,000 was also purchased by the company at book value.

c) **Investment in wholly owned subsidiaries incorporated in Thailand**

	2024 AED	2023 AED
99,998 shares of THB 100 each converted @ THB 1 = AED 0.113, 100,000 shares of THB 100 each paid up @ 100 each converted @ THB 1 = 0.1109, 1 shares of THB 100 each paid up @ 100 each converted @ THB 1 = 0.1030 and 300,000 shares of THB 100 partial each paid up @ THB 43.87 each converted @ THB 1 = 0.1030 in Cleanmax IHQ (Thailand) Company Limited, Thailand (previous year 99,998 shares of THB 100 each converted @ THB 1 = AED 0.113 in Cleanmax IHQ (Thailand) Company Limited, Thailand).	3,593,365	1,128,258

	2024	2023
	AED	AED
24,998 shares of THB 1,000 each converted @ THB 1 = AED 0.11991; 12,500 shares of THB 1,000 each partial paid up @ THB 481.41 each converted @ THB 1 = AED 0.12200; 12,500 shares of THB 1,000 each partial paid up @ THB 356.13 each converted @ THB 1 = AED 0.11739; 27,500 shares of THB 1,000 partial each paid up @ THB 250.90 each converted @ THB 1 = AED 0.11316; 135,000 shares of THB 1,000 partial paid up @ THB 251.8 each converted @ THB 1 = AED 0.11499; 12,500 shares of THB 1000 partial each paid up @ THB 162.46 each converted @ THB 1 = 0.10190; 27,500 shares of THB 1000 partial each paid up @ THB 749.10 each converted @ THB 1 = 0.10190; 135,000 shares of THB 1000 partial each paid up @ THB 138.18 each converted @ THB 1 = 0.10340; 265,400 shares of THB 1,000 partial each paid up @ THB 250 each converted @ THB 1 = 0.10800; 135,000 shares of THB 1,000 partial each paid up @ THB 325.93 each converted @ THB 1 = 0.10800; 135,000 shares of THB 1,000 partial each paid up @ THB 284.09 each converted @ THB 1 = 0.11090; 265,400 shares of THB 1,000 partial each paid up @ THB 51.33 each converted @ THB 1 = 0.11090; 265,400 shares of THB 1,000 partial each paid up @ THB 20.31 each converted @ THB 1 = 0.10300 in Cleanmax Energy (Thailand) Co., Ltd., Thailand (previous year 24,998 shares of THB 1,000 each converted @ THB 1 = AED 0.11991; 12,500 shares of THB 1,000 each partial paid up @ THB 481.41 each converted @ THB 1 = AED 0.12200; 12,500 shares of THB 1,000 each partial paid up @ THB 356.13 each converted @ THB 1 = AED 0.11739; 27,500 shares of THB 1,000 partial each paid up @ THB 250.90 each converted @ THB 1 = AED 0.11316; 135,000 shares of THB 1,000 partial paid up @ THB 251.8 each converted @ THB 1 = AED 0.11499; 12,500 shares of THB 1,000 partial each paid up @ THB 162.46 each converted @ THB 1 = 0.10190; 27,500 shares of THB 1,000 partial each paid up @ THB 749.10 each converted @ THB 1 = 0.10190; 135,000 shares of THB 1000 partial each paid up @ THB 138.18 each converted @ THB 1 = 0.10340; 265,400 shares of THB 1000 partial each paid up @ THB 250 each converted @ THB 1 = 0.10800) in Cleanmax Energy (Thailand) Co., Ltd., Thailand.	31,419,509	20,348,043
245 shares of THB 100 each converted @ THB 1= AED 0.09841 in Cleanmax Engineering (Thailand) Company Limited.	2,394	2,394
	35,015,268	21,478,695

The nature of investments in subsidiaries controlled by the Company are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Proportion (%) of legal ownership interest		Proportion (%) of Beneficial ownership interest	
			2024	2023	2024	2023
Sunroofs Enviro Solar Energy Systems LLC	Electrical fitting contracting and solar energy system installation	UAE	100	--	100	--
Cleanmax IHQ (Thailand) Company Limited, Thailand HQ (Thailand) Company Limited, Thailand	Business management and general service.	Thailand	99	99	100	100
Cleanmax Energy (Thailand) Co., Ltd., Thailand	Engaged in production, assembly, distribution and management services to build a power plant.	Thailand	99	99	100	100
Cleanmax Engineering (Thailand) Company Limited	Business management consulting and general service	Thailand	41	41	100	100

	2024 AED	2023 AED
d) **INVESTMENT IN JOINT VENTURE**		
50% interest in Kanoo Cleanmax Renewables Asset Co W.L.L, Bahrain		
Share capital at cost	49,573	--
Additional investments during the year	1,337,182	--
Share of profits	29,581	--
Total investment in joint ventures	1,416,336	--

The nature of investments in joint ventures is as follows:

Name of Joint venture	Principal activities	Country of incorporation	% of share capital held		% of beneficial ownership interest	
			2024	2023	2024	2023
Kanoo Cleanmax Renewables Asset Co W.L.L, Bahrain	Renting and operational leasing of machinery and equipment	Bahrain	50	50	50	50

Kanoo Cleanmax Renewables Asset Co W.L.L and Cleanmax Solar MENA FZCO are jointly controlled with equal beneficial interest between the venturers. There are no quoted market prices available for its shares.

Aggregated summary financial information relating to Kanoo Cleanmax Renewables Asset Co W.L.L, not adjusted for the proportion of ownership interest held by the Company is as follows:

Summarised statement of financial position

	2024 AED	2023 AED
Non-current assets		
- Property, plant and equipment	2,263,080	--
Current assets		--
- Trade and other receivables	196,586	--
- Cash and cash equivalent	2,819,865	--
Current assets	3,016,451	--
Total assets	5,279,531	--
Current liabilities	2,476,700	--
Total liabilities	2,476,700	--
Net assets	2,802,831	--

Summarised statement of profit or loss and other comprehensive income

	2024 AED	2023 AED
Revenue	263,326	--
Direct costs	(133,118)	--
Gross Profit	130,208	--
Administrative expenses	(71,047)	--
Net profit	59,161	--

Reconciliation of summarised financial information

A reconciliation of summarised financial information presented to the carrying amount of investment in joint venture is as follows:

		2024 AED	2023 AED
Net assets			
Total assets	(i)	5,279,531	--
Total liabilities	(ii)	2,476,700	--
	(i-ii)	2,802,831	--
Interest in Joint venture (%)		50%	--
Interest in Joint venture		1,416,336	--
Carrying value		1,416,336	--
TOTAL (A+B+C+D)		76,359,211	38,480,149

8. **OTHER FINANCIAL ASSETS**

	2024 AED	2023 AED
Debt instruments at amortised cost		
Long-term loan to related parties [a & b]	15,164,045	18,941,293
Other financial assets at amortised cost:		
- Margin deposits [c]	64,000	55,000

	2024	2023
	15,228,045	18,996,293
	AED	AED
Disclosed under:		
Non-current financial assets	15,164,045	18,941,293
Current financial assets	64,000	55,000
	15,228,045	18,996,293

(a) A reconciliation of the movements in the long-term loans to related parties:

Opening balance	18,941,294	26,103,064
Loan given during the year	--	9,366,310
Loan re-paid during the year	(3,777,249)	(16,528,080)
Closing balance	15,164,045	18,941,294

Interest receivables from the above loans amounting to AED 877,574 (previous year AED 584,411) are classified under other receivables.

(b) This represents loan given to CleanMax Alpha LeaseCo FZCO which is an associate AED 13,424,867 (previous year AED 14,924,867) and Cleanmax IHQ (Thailand) Company Limited which is a subsidiary AED 1,739,178 (previous year AED 4,016,426). Both these loans are unsecured and loan given to CleanMax Alpha LeaseCo FZCO is without a fixed repayment schedule. These loans carry a 6% p.a. rate of interest (previous year 6% p.a.).

(c) Represents deposits amounting to AED 64,000 (previous year AED 55,000), held as security against bankers' letter of guarantee issued by the Company (note 31).

9. INVENTORIES

Project materials	--	3,320,494
Goods-in-transit	--	198,609
	--	3,519,103

10. TRADE AND OTHER RECEIVABLES

Trade receivables	5,694,278	1,993,781
Deposits	50,000	--
Staff advances	--	153,701
Other receivables	925,419	584,411
	6,669,697	2,731,893

The Company does not hold any collateral against trade receivables (previous year AED NIl).

An age analysis of trade receivables as follows:

	2024	2023
	AED	AED
Not past due	2,843,792	--
0 - 90 days	1,336,927	1,987,722
91 – 180 days past due	1,384,503	--
More than 180 days past due	129,056	6,059
	5,694,278	1,993,781

11. OTHER CURRENT ASSETS

	2024	2023
Prepayments	176,587	97,792
Advance to vendors	135,038	33,634
	311,625	131,426

12. RELATED PARTIES

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise the parent company, subsidiaries, associate, joint venture, directors and key management personnel.

At the reporting date, significant balances with related parties were as follows:

	Parent company	Subsidiaries	Associate	Joint venture	Key management personnel	Total 2024	Total 2023
	AED	AED	AED	AED	AED	AED	AED
Investments	--	48,535,268	26,407,607	1,416,336	--	76,359,211	
	--	21,625,695	16,854,454	--	--		38,480,149
Included in other receivables	--	35,669	841,905	47,845	--	925,419	
	--	240,052	344,359	--	--		584,411
Long-term loan to related parties	--	1,739,178	13,424,867	--	--	15,164,045	
	--	4,016,426	14,924,867	--	--		18,941,293
Due from related parties	--	8,882,219	--	--	--	8,882,219	
	--	9,572,270	--	--	--		9,572,270
Due to related parties	1,575,214	--	--	--	378,825	1,954,039	

	548,277	313,355	--	--	276,899		1,138,531

	Parent company	Subsidiaries	Associate	Joint venture	Key management personnel	Total 2024	Total 2023
	AED	AED	AED	AED	AED	AED	AED
Loans from shareholder	28,121,857	--	--	--	--	28,121,857	
	18,365,488	--	--	--	--		18,365,488
Guarantee received	7,350,000	--	--	--	--	7,350,000	
	7,350,000	--	--	--			7,350,000
Provision for staff end-of-service benefit	--	--	--	--	89,172	89,172	
	--	--	--	--	71,221		71,221

All balances are unsecured and are expected to be settled in cash except for the guarantees received. Repayment and other terms are set out in notes 7, 8, 18 and 30.

Significant transactions with related parties during the year were as follows:

	Parent company	Subsidiaries	Associate	Director/ Key management personnel	Total 2024	Total 2023
	AED	AED	AED	AED	AED	AED
Revenue	--	8,513,243	--	--	8,513,243	
	--	13,603,542	--	--		13,603,542
Direct costs	4,230,293	4,496,487	--	--	8,726,780	
	22,254,064	3,051,365	--	--		25,305,429
Expenses recharged to a related party	125,000	585,472	--	--	710,472	
	--	684,385	--	--		684,385
Expenses recharged from a related party	189,784	2,488,960	--	--	2,678,744	
	167,036	15,172	641,797	--		824,005
Transfer of staff end-of-service benefits payable (note 19)	--	--	--	--	--	
	--	--	65,254	--		65,254
Staff costs and other benefits	--	--	240,300	168,300	408,600	
	--	--	--	605,999		605,999
Staff end-of-service benefits	--	--	--	17,951	17,951	
	--	--	--	57,426		57,426
Interest income	--	133,990	871,128	--	1,005,118	
	--	188,466	1,508,254	--		1,696,720
Finance costs	1,516,088	--	--	--	1,516,088	
	1,498,686	--	--	--		1,498,686

The Company also provides funds to/receives funds from related parties as working capital facilities at fixed rates of interest.

Certain administrative related services are availed from a related party as per agreed rates.

		2024 AED	2023 AED
13.	**CONTRACT ASSETS/CONTRACT LIABILITES**		
	Contract assets relating to costs incurred to fulfil a contract	2,074,642	1,690,315
	Disclosed as:		
	Current contract assets	2,074,642	1,690,315
	Contract liabilities	637,796	1,622,511
	Disclosed as:		
	Current contract liabilities	637,796	1,622,511
14.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	4,101	34,006
	Bank balances in current accounts	1,058,773	6,491,393
		1,062,874	6,525,399
15.	**SHARE CAPITAL**		
	Issued and paid up:		
	24,830 shares of AED 1,000 each (previous year 16,877 shares of AED 1,000 each)	24,830,000	16,877,000

Name	No. of shares	AED
Clean Max Enviro Energy Solutions Private Ltd.	24,830	24,830,000

(a) During the year vide an amendment to the memorandum of association, the Company has increased their share capital by issuance of additional 7,953 shares to CleanMax Enviro Energy Solutions Private Ltd. The shareholders as at 31 March 2024 and at 31 March 2023 and their interests as at that date in the share capital of the Company were as follows:

Name	At 31 March 2024				At 31 March 2023			
	No. of Shares	AED	% of holding	% of profit sharing	No. of Shares	AED	% of holding	% of profit sharing
CleanMax Enviro Energy Solutions Private Ltd.	24,830	24,830,000	100%	100%	16,877	16,877,000	100%	100%
	24,830	24,830,000	100%	100%	16,877	16,877,000	100%	100%

		2024	2023
		AED	AED
16.	**SHARE PREMIUM**		
	Opening balance	19,830,420	887,440
	Premium on additional shares issued during the year[a]	24,473,361	19,019,100
	Transaction costs	(111,380)	(76,120)
	Closing balance	44,192,401	19,830,420

(a) Share premium of AED 44,379,801 (net transaction cost of AED 242,060) arising out of 19,280 shares issued during the year ended 31 March 2024.

		2024	2023
17.	**SHARE APPLICATION MONEY**		
	Opening balance	14,775,948	9,017,200
	Share application money on additional shares	--	34,796,848
	Allotment of shares	(14,775,948)	(29,038,100)
		--	14,775,948

		2024	2023
18.	**LOANS FROM SHAREHOLDER[a]**		
	Opening balance	18,365,488	24,425,061
	Receipts during the year (net)	9,200,000	14,000,000
	Interest credited	1,516,088	1,498,686
	Interest paid	(959,719)	(1,606,259)
	Loan paid during the year	--	(19,952,000)
	Closing balance	28,121,857	18,365,488

(a) This represents interest bearing loans received from the shareholder with a maturity of one to three years from the date of receipt of loans as at reporting date.

(b) Below are the loans details:

- Loan amounting to AED 3,426,204 is repayable within a year and subject to an interest rate at 6% per annum.
- Loan amounting to AED 15,047,123 is subject to an interest rate at 6% per annum having maturity till 7 September 2025.
- Loan amounting to AED 169,754 is subject to an interest rate at 10% per annum having maturity till 24 November 2025.
- Loan amounting to AED 9,478,776 is subject to an interest rate at 6% per annum having maturity till 3 July 2026.

	2024 AED	2023 AED
Disclosed under:		
Non-current portion	24,695,653	17,701,527
Current portion	3,426,204	663,961
	28,121,857	18,365,488

19. PROVISION FOR STAFF END-OF-SERVICE-BENEFITS

Opening balance	71,221	131,034
Provision for the year	17,951	57,426
Transfer from a related party	--	65,254
Paid during the year	--	(182,493)
Closing balance	89,172	71,221

20. BANK FACILITIES

Bank facilities from Mashreq Bank are secured by financial bank guarantee of AED 7,350,000 received from parent company.

The bank borrowings are subject to certain financial covenants such as minimum monthly account turnover routing (excluding any TR / LBD credits) of AED 500,000.

21. TRADE AND OTHER PAYABLES

Trade payables	1,821,772	445,440
Accruals	369,383	144,141
	2,191,155	589,581

The entire trade and other payables are due for payment in one year.

22. OTHER CURRENT LIABILITIES

Advances received from customer	242,428	--
VAT payable (net)	72,133	316,994
Employee related payables	17,005	8,500
	331,566	325,494

23. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholder with a rate of return on its investment commensurate with the level of risk assumed.

Capital comprises equity funds as presented in the statement of financial position along with loans from the shareholder, share premium and amounts due to/from related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the bank facilities availed. The Company has complied with all the capital requirements to which it is subject.

Funds generated from internal accruals together with funds received from a related party net of funds provided to related parties are retained in the business according to the business requirements to maintain the capital at desired levels.

24. REVENUE

The Company generates revenue from the transfer goods and services over time and at a point in time. The disaggregated revenue from contracts with customers by geographical segments, type of services and timing of revenue recognition is presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	2024 AED	2023 AED
Primary geographical segments		
- U.A.E	20,006,631	32,046,542
- Thailand	459,813	610,545
- Bahrain	2,766,120	68,492
	23,232,564	32,725,579
Major good/service lines		
Construction/installation projects		
- Solar equipment installation	11,484,713	8,303,614
Sale of goods		
- Sale of goods	11,426,248	24,254,022
Operation and maintenance		
- Operation and maintenance	321,603	167,943
	23,232,564	32,725,579
Timing of revenue recognition		
- At a point in time	14,750,850	24,421,965
- Over time	8,481,714	8,303,614
	23,232,564	32,725,579

		2024	2023
		AED	AED
25.	**DIRECT COSTS**		
	Purchase of project materials	16,224,395	35,038,073
	Other direct costs	1,644,664	1,832,386
		17,869,059	36,870,459
	Changes in inventories	3,320,494	(2,270,604)
		21,189,553	34,599,855
26.	**OTHER INCOME**		
	Foreign exchange gain (net)	--	61,362
	Credit balance written back	29,927	--
	Other miscellaneous income	35,032	8,564
		64,959	69,926
27.	**ADMINISTRATIVE EXPENSES**		
	Staff salaries and benefits[a]	587,222	811,106
	Staff end-of-service benefits	17,951	57,426
	Short-term lease expenses	35,016	35,003
	Professional fees	138,871	94,891
	Marketing expenses	61,598	94,198
	Commission and referral fees	60,409	125,809
	Insurance charges	56,118	59,941
	Audit fees	56,000	41,500
	Travel expenses	21,266	33,470
	Bank charges	8,828	8,401
	Depreciation (note 6)	465	1,357
	Foreign exchange losses (net)	285,847	--
	Other expenses	211,636	99,674
		1,541,227	1,462,776

(a) It includes director's remuneration of AED 168,300 (previous year AED 605,999).

		2024	2023
28.	**INTEREST INCOME**		
	On loan to related parties	1,005,118	1,696,720
29.	**FINANCE COSTS**		
	On loans from shareholder	1,516,088	1,498,686
	Other finance costs	249,299	275,345
	On bank overdrafts	--	3,567
		1,765,387	1,777,598

30. **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Financial instruments

Classification and fair values

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
	2024	2023
Financial assets	AED	AED
Other financial assets (current and non-current)	15,228,045	18,996,293
Trade and other receivables	6,669,697	2,731,893
Due from related parties	8,882,219	9,572,270
Cash and cash equivalents	1,062,874	6,525,399
	31,842,835	37,825,855
Financial liabilities		
Trade and other payables	2,191,155	589,581
Due to related parties	1,954,039	1,138,531
Loans from shareholder (current and non-current)	28,121,857	18,365,488
	32,267,051	20,093,600

Fair value measurement and disclosures

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, trade and other receivables, due from related parties, other financial assets (current), trade and other payables, loans from shareholder and due to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to determine the fair values of other financial assets/liabilities:

Non-current financial assets are evaluated by the Company using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible inputs are based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customers and credit risks characteristics. As at the reporting date, the carrying amounts of such receivables, net of provisions, are not materially different from their fair values.

Fair values of loans from shareholder are estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amount of such liability, is not materially different from its fair value.

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimizing the exposure to financial markets.

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts, trade and other receivables, due from related parties, loan to related parties and margin deposits.

The Company's bank accounts and margin deposits are placed with high credit quality financial institutions.

The management assesses the credit risk arising from trade and other receivables, amounts due from related parties and loan to related parties taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

Amounts due from related parties relate to transactions arising in the normal course of business with minimal credit risk.

At the reporting date 81% of trade receivables was due from three customers (previous year 95% due from two customers situated in the UAE).

At the reporting date 100% of due from a related party are due from a related party (previous year 98% due from two related parties).

At the reporting date, there is no significant concentration of credit risk from any particular industry as the Company's customers are from diverse industries.

The Company uses an allowance matrix to measure the expected credit losses of trade receivables and contract assets. Loss rates are calculated using a 'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company limits its liquidity risk by ensuring adequate bank facilities are available.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year		One to five years		Total	
	2024	2023	2024	2023	2024	2023
	AED	AED	AED	AED	AED	AED
Trade and other payables	2,191,155	589,581	--	--	2,191,155	589,581
Due to related parties	1,954,039	1,138,531	--	--	1,954,039	1,138,531
Loans from shareholder	3,426,204	663,961	24,695,653	17,701,527	28,121,857	18,365,488
	7,571,398	2,392,073	24,695,653	17,701,527	32,267,051	20,093,600

Market risk

Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns.

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirham or US Dollar to which the Dirham is fixed, except for the following:

	2024 AED	2023 AED
Cash and bank balances		
British Pound Sterling	3,603	3,540

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

Loan to related parties and loans from shareholder are subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed to fair value interest rate risk.

31. **CONTINGENT LIABILITIES**

	2024 AED	2023 AED
Bankers' letter of bank guarantee [note 8 (c)]	3,409,301	3,541,583

32. **COMPARATIVE FIGURES**

Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable to those of the current period.

33. **CORPORATE TAX**

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the 'CT Law') to enact a Federal Corporate Tax ('CT') regime in the UAE. The CT Law is effective for the financial years beginning on or after 1 June 2023. Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply and accordingly, the CT Law is now considered to be substantively enacted.

For the Company, current taxes shall be accounted for as appropriate in the financial statements for the accounting period beginning on 1 April 2023. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the financial year ended 31 March 2024.

Based on the information available to date, the Company has assessed the deferred tax implications for the year ended 31 March 2024 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that deferred tax implications are not expected to be material.

The Company shall continue to monitor critical Cabinet Decisions to determine the impact on the Company, from deferred tax perspective.

For **CLEANMAX SOLAR MENA FZCO**

DIRECTOR