Aarvi Encon (FZE)

Sharjah - United Arab Emirates

Auditor's report and financial statements

For the year ended March 31, 2023

Aarvi Encon (FZE)

Sharjah - United Arab Emirates

Auditor's report and financial statements for the year ended March 31, 2023

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General information

Principal office address	:	Saif Suite, XI-51, P.O.Box 122723 Sharjah - United Arab Emirates		
The Manager	:	Name		Nationality
		Mr. Manoj Ramakrishnan		Indian
The Shareholder	:	Name	Equity Shareholding	Nationality
		Ms. Aarvi Encon Limited (India)	100%	Indian
The Auditor	:	Mr. Ahmed Sultan Ahmed Mohammed M/s. Spectrum Auditing Reg No. 1002 Dubai, United Arab Emirates		

Aarvi Encon (FZE)

Sharjah - United Arab Emirates

Manager's Report

The Manager has pleasure in presenting his report and the audited financial statements for the year ended March 31, 2023.

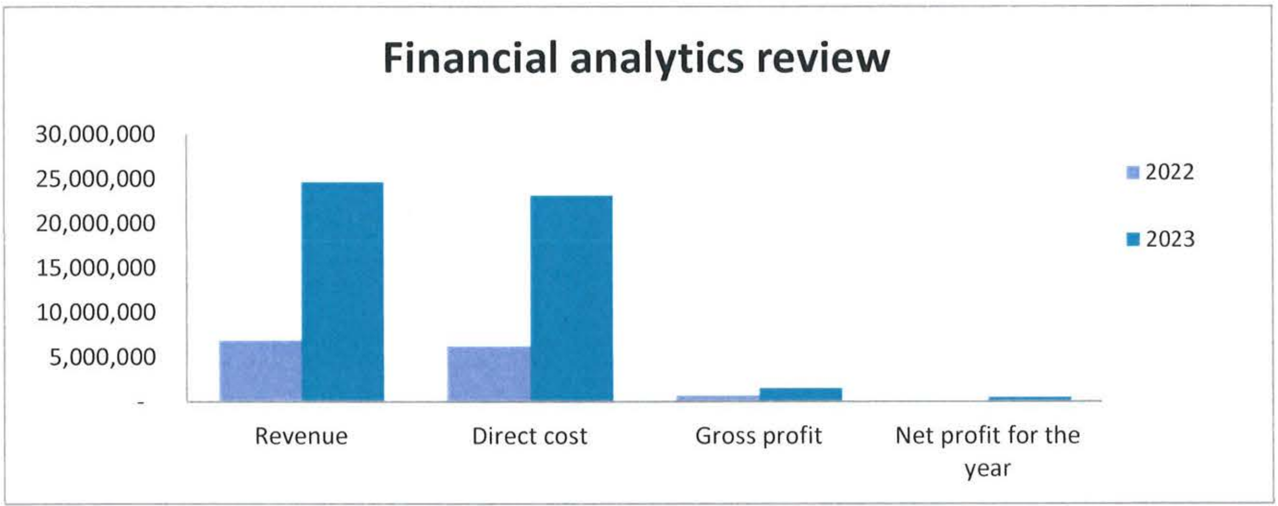
Principal activities of the Entity :

The principal activity of the entity is providing business consultancy services.

Financial review:

The table below summarized results of 2023 and 2022.

	2023	2022
	AED	AED
Revenue	24,632,418	6,867,515
Direct cost	23,132,690	6,196,088
Gross profit	1,499,728	671,427
Net profit for the year	474,583	48,444



Role of the Manager:

The Manager is the Entity's principal decision-making forum and has the overall responsibility for leading and supervising the Entity. The Manager is accountable to shareholders for delivering sustainable shareholder value through his guidance and supervision of the Entity's business. The Manager guides and supervise the management of the entity, sets the strategies and policies, and monitors performance of the Entity.

Events after year end:

In the opinion of the Manager no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Entity.

Manager's Report (continued)

Auditors:

M/s. Spectrum Auditing, United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

Going concern:

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements, the management has made an assessment of the Entity's ability to continue as a going concern. The management has not come across any evidence that causes the management to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Entity's ability to continue as a going concern.

Statement of Manager's responsibilities:

The applicable requirements, requires the Manager to prepare the financial statements for each financial year which presents fairly in all material respects, the financial position of the Entity and its financial performance for the year then ended.

The audited financial statements for the year under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Manager confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Manager also confirms that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably present the Entity's financial conditions and results of its operations.

These financial statements were approved by the Board and signed on behalf by the undersigned.

P.O. Box: 122723
SAIF ZONE
Sharjah - U.A.E.
AARVI ENCON (FZE)

Manager
April 29, 2023

Independent auditor's report

To,
The Shareholders of Aarvi Encon (FZE)
Sharjah - United Arab Emirates

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Aarvi Encon (FZE), Sharjah - United Arab Emirates ("Entity") which comprise the statement of financial position as at March 31, 2023 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate.

Responsibilities of the management and those charged with governance for the financial statements

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

In preparing the financial statements,the 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 the 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.

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Report on the audit of the financial statements (continued)

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

Report on other legal and regulatory requirements

We further confirm that, in our opinion, the financial statements include, in all material respects, the applicable requirements of the UAE Federal Law. We further confirm that proper financial records have been kept by the Company and the contents of the Director's report relating to these financial statements are in agreement with the Company's financial records. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the above mentioned law have occurred during the year which would have had a material effect on the business of the Company or on its financial position.

For M/s. Spectrum Auditing

Mr. Ahmed Sultan Ahmed Mohammed
Registration No. 1002
Dubai, United Arab Emirates

سبيكتروم لمراجعة الحسابات
P.O.Box: 379682
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Dated: April 29, 2023

Aarvi Encon (FZE)
Sharjah - United Arab Emirates

Statement of financial position as at March 31, 2023
(In Arab Emirates Dirham)

	Notes	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	4	**872**	1,308
Total non current assets		**872**	1,308
Current assets			
Due from related parties	5	**1,595,872**	771,279
Trade receivables	6	**7,039,515**	5,678,735
Advances, deposits and other receivables	7	**129,473**	134,165
Cash and cash equivalents	8	**1,375,921**	2,031,473
Total current assets		**10,140,781**	8,615,652
Total assets		**10,141,653**	8,616,960
Equity and liabilities			
Equity			
Share capital	9	**150,000**	150,000
Retained earnings	10	**6,610,918**	6,136,335
Total equity		**6,760,918**	6,286,335
Non-current liabilities			
Unsecured loan	11	**1,571,225**	-
Total non-current liabilities		**1,571,225**	-
Current liabilities			
Trade and other payables	12	**1,809,510**	2,238,155
Accruals & provisions	13	**-**	92,470
Total current liabilities		**1,809,510**	2,330,625
Total liabilities		**3,380,735**	2,330,625
Total equity and liabilities		**10,141,653**	8,616,960

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4 - 5

The financial statements on pages 6 to 25 were approved on April 29, 2023 and signed on behalf of the Entity, by:

P.O. Box: 122733 SAIF ZONE Sharjah - U.A.E. AARVI ENCON (FZE)

Manager
April 29, 2023

P.O.Box: 379602 DUBAI - U.A.E. SPECTRUM AUDITING

Aarvi Encon (FZE)
Sharjah - United Arab Emirates

Statement of profit or loss and other comprehensive income for the year ended March 31, 2023
(In Arab Emirates Dirham)

	Notes	2023	2022
Revenue	14	**24,632,418**	6,867,515
Direct cost	15	**(23,132,690)**	(6,196,088)
Gross profit		**1,499,728**	671,427
Other income	16	**-**	8,946
Administrative expenses	17	**(871,642)**	(594,058)
Finance costs	18	**(153,503)**	(37,871)
Profit for the year		**474,583**	48,444
Other comprehensive income		**-**	-
Total comprehensive income for the year		**474,583**	48,444

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

The report of the auditor is set out on pages 4 - 5

The financial statements on pages 6 to 25 were approved on April 29, 2023 and signed on behalf of the Entity, by:

P.O. Box: 122733 SAIF ZONE Sharjah - U.A.E. AARVI ENCON (FZE)

Manager
April 29, 2023

P.O.Box: 379622 DUBAI - U.A.E. SPECTRUM AUDITING

Aarvi Encon (FZE)
Sharjah - United Arab Emirates

Statement of changes in shareholder's equity for the year ended March 31, 2023
(In Arab Emirates Dirham)

	Share Capital	Retained earnings	Total equity
Balance as at April 1, 2022	**150,000**	**6,087,891**	**6,237,891**
Total comprehensive income	-	48,444	48,444
Balance as at March 31, 2022	**150,000**	**6,136,335**	**6,286,335**
Total comprehensive income	-	474,583	474,583
Balance as at March 31, 2023	**150,000**	**6,610,918**	**6,760,918**

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4 - 5

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Aarvi Encon (FZE)
Sharjah - United Arab Emirates

Statement of cash flows for the year ended March 31, 2023
(In Arab Emirates Dirham)

	2023	2022
Cash flows from operating activities		
Net profit for the year	**474,583**	48,444
Adjustments for:		
Depreciation on property, plant and equipment	**436**	436
	475,019	48,880
(Increase) / decrease in current assets		
Trade receivables	**(1,360,780)**	(3,318,454)
Advances, deposits and other receivables	**4,692**	49,799
Due from related parties	**(824,593)**	(106,890)
Increase / (decrease) in current liabilities		
Trade and other payables	**(428,645)**	1,615,711
Unsecured loans	**-**	(125,919)
Accruals & provisions	**(92,470)**	39,594
Cash generated from operations	**(2,226,777)**	(1,846,159)
Net cash from / (used in) operating activities	**(2,226,777)**	(1,797,279)
Cash flows from investing activities		
Purchase of property, plant and equipment	**-**	(1,000)
Net changes in investment	**-**	130,000
Net cash from / (used in) investing activities	**-**	129,000
Cash flows from financing activities		
Proceeds of loans from related parties	**1,571,225**	-
Net cash from / (used in) financing activities	**1,571,225**	-
Net (decrease) / increase in cash and cash equivalents	**(655,552)**	(1,668,279)
Cash and cash equivalents, beginning of the year	**2,031,473**	3,699,752
Cash and cash equivalents, end of the year	**1,375,921**	2,031,473
Cash and cash equivalents		
Cash in hand	**4,577**	4,577
	1,371,344	2,026,896
	1,375,921	2,031,473

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4 - 5

1 Legal status and business activities

1.1 Aarvi Encon (FZE), Sharjah - United Arab Emirates (the "Entity") was incorporated on October 13, 2015 as Free Zone Establishment with limited liability and operates in the United Arab Emirates under a service license issued by the Sharjah Airport International, Government of Sharjah, United Arab Emirates.

1.2 The principal activity of the entity is providing services.

1.3 The registered address of the Entity is Saif Suite, XI-51, P.O.Box 122723, Sharjah, United Arab Emirates

1.4 The management and control is vested with Mr. Manoj Ramakrishnan, the Director.

1.5 These financial statements incorporate the operating results of the professional license no. 15906 for the year ended March 31, 2023.

1.6 During the year, there has been no change in the shareholding pattern of the company.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and interpretations issued by the IFRS Interpretations Committee (IFRIC) applicable to companies reporting under IFRS and the applicable requirements of the laws in the U.A.E.

2.2 Basis of measurement:

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2.3 Functional and presentation currency:

These financial statements of the entity are prepared in U.A.E. Dirham (AED) which is the functional currency of the entity. All values are rounded to the nearest AED except otherwise indicated.

2.4 Use of estimates and judgements:

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the entity's accounting policies and the reported amounts of assets and liabilities, income and expenses, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed after significant accounting policies.

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3 Significant accounting policies:

The principal accounting policies applied in these financial statements set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

3.1 Standards issued but not yet effective:

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the entity has not early adopted the new and amended standards in preparing these financial statements.

The following new and amended standards are not expected to have a significant impact on the entity's financial statements:

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)	1-Jan-22
COVID-19-Related Rent Concessions (Amendment to IFRS 16)	1-Jun-20
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1-Jan-22
Reference to Conceptual Framework (Amendments to IFRS 3)	1-Jan-22
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1-Jan-21
IFRS 17 Insurance Contracts and amendments to IFRS 17	1-Jan-23
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1-Jan-21
Annual Improvements to IFRS Standards 2018-2020	1-Jan-22
Classification of liabilities as current or non-current (Amendments to IAS 1)	1-Jan-23

3.2 Current / non-current classification:

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

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

All other assets are classified as non-current. A liability is current when it is:

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3 Significant accounting policies (continued):

3.2 Current / non-current classification (continued)

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

3.3 Fair value measurement

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	Inputs are quoted price (unadjusted) in active market for identical asset or liabilities that the entity can access at the measurement date;
Level 2	Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3	Inputs are observable inputs for the asset or liability.

3.4 Foreign Currency

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

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3 Significant accounting policies (continued):

3.4 Foreign Currency (continued)

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

3.5 Property Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as Depreciation is spread over its useful lives so as to write off the cost of property, plant and

	Years
Office Equipment	5

The leasehold property is being depreciated over the period from when it became available for
The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).
Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

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

Capital work in progress

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

Revalued land and building

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Revalued land and building (continued)

Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognized in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

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3 Significant accounting policies (continued):

3.6 Investment properties

Investment property are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self constructed investment property includes the cost of materials and direct labor, any other cost directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs.

The Entity determines at each reporting date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds their recoverable amount, an impairment loss is recognized in the profit or loss.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

3.7 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.8 Impairment of tangible assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

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

3 Significant accounting policies (continued):

3.9 Financial Instruments

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

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'at fair value through OCI', or 'at amortized cost'.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward looking 'expected credit loss' (ECL) model under which the Entity accounts for expected credit losses and assesses changes in the expected credit losses at the end of each reporting period since initial recognition. It is not necessary for a credit event to have occurred before credit losses are recognized.

Derecognition of financial assets

The Entity derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at fair value through profit or loss (FVTPL).

Derecognition of financial liabilities

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

3.10 Inventories

Inventories are stated at the lower of cost or net realizable value. Costs of inventories are determined on a weighted average basis. Cost of inventories comprises of costs of purchase, and where applicable cost of conversion and other costs that has been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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3 Significant accounting policies (continued):

3.11 Provisions

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

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

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

3.12 Revenue recognition

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

Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Establishment recognizes revenue from contract with customers based on a five step model as set out in IFRS 15:

- Identify contract with customers
- Identify the separate performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations
- Recognize revenue when the performance obligation is satisfied at a point of time or over time

The establishment is required to assess each of its contract with customers to determine whether performance obligation are satisfied overtime or at a point in time in order to determine the appropriate method of recognizing the revenue.

Revenue is recognized when the goods are delivered and have been accepted by customers at their premises. For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

Therefore, the amount of revenue recognized is adjusted for expected returns, which are estimated based on the historical data In these circumstances, a refund liability and a right to recover returned goods asset are recognized.

3 Significant accounting policies (continued):

3.13 Critical accounting judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

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

Cost estimates

The Entity uses internal project managers to estimate the costs to complete a project. Factors such as escalation of material prices, labor costs and other costs are included in the total project cost based on best estimates.

Allowance for doubtful debts

Allowances for doubtful debts are determined using a combination of factors to ensure that trade receivables are not overstated. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of receivables, continuing credit evaluation of the customer's financial conditions and collateral requirements from customers in certain circumstances. In addition, specific allowances for individual accounts are recorded when the Entity becomes aware of the customer's inability to meet its financial obligations.

Inventories

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

Property and equipment

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

Leasehold improvements

Management determines the estimated useful life and related depreciation charges for its leasehold improvements. This estimate is based on an assumption that the Entity will renew its annual lease over the estimated useful life of the asset. It could change significantly should the annual lease not be renewed. Management will increase the depreciation charge where the useful life is less than the previously estimated useful life.

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3 Significant accounting policies (continued):

Operating lease expenses

Lease payments under operating lease have been recognized as an expense on a straight-line basis over the lease rental period after considering the rent escalation as per the rent agreements. The rent charge could significantly change in subsequent accounting periods should the lease contract not be renewed or change in lease terms of the contract.

Fair value measurement

For the purpose of fair value disclosures, the Entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Entity uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

The Entity has an established control framework with respect to the measurement of fair values. This includes a management team that has overall responsibility for overseeing all significant fair value measurements.

4 Property, plant and equipment

	Office equipments	Total
Cost		
As at March 31, 2021	**1,863**	**1,863**
Additions during the year	1,000	1,000
As at March 31, 2022	**2,863**	**2,863**
Additions during the year	-	-
As at March 31, 2023	**2,863**	**2,863**
Accumulated depreciation		
As at March 31, 2021	**1,119**	**1,119**
Charge for the year	436	436
As at March 31, 2022	**1,555**	**1,555**
Charge for the year	436	436
As at March 31, 2023	**1,991**	**1,991**
Carrying value as at March 31, 2023	**872**	**872**
Carrying value as at March 31, 2022	1,308	1,308

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4 and 5.

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	2023	2022

5 Related party transactions

The Entity enters into transactions with other entities that fall with in the definition of a related party as contained in IAS 24 Related party disclosures. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

Due from related parties

	2023	2022
M/s. Bon Accord Employment Services- Invest	**830,652**	649,267
Aavri Encon Resources Ltd	**272,631**	-
M/s. PT Aarvi Encon Services	**254,164**	85,344
M/s. Aarvi Encon LLC, Oman	**238,425**	36,668
	1,595,872	771,279

6 Trade receivables

	2023	2022
Trade receivables	**7,441,180**	5,678,735
Allowance for doubtful debts	**(401,665)**	-
	7,039,515	5,678,735
Ageing analysis of receivables		
Less than 30 days:	**2,532,220**	-
30 - 90 days:	**3,478,717**	3,116,579
90 - 120 days:	**-**	-
120 - 180 days:	**-**	1,022,569
180 - 360 days:	**2,364**	1,539,587
Above 360 days:	**1,026,214**	-
	7,039,515	5,678,735

7 Advances, deposits and other receivables

	2023	2022
Deposits	**84,233**	88,823
Prepaid expenses	**45,240**	45,342
	129,473	134,165

8 Cash and cash equivalents

	2023	2022
Cash at bank	**1,371,344**	2,026,896
Cash in hand	**4,577**	4,577
	1,375,921	2,031,473

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9 Share capital

Authorised, issued and paid up capital of the Entity is AED 150,000, divided into 1 share of AED 150,000 each fully paid.

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

Name of Shareholder	Percentage	No of shares	2023	2022
Ms. Aarvi Encon Limited	100%	1	**150,000**	150,000
	100%	1	**150,000**	150,000

	2023	2022
10 Retained earnings		
Balance at the beginning of the year	**6,136,335**	6,087,891
Comprehensive profit for the year	**474,583**	48,444
	6,610,918	6,136,335
11 Unsecured loan		
Unsecured loan for the year	**1,571,225**	-
	1,571,225	-
12 Trade and other payables		
Trade payables	**1,705,086**	2,107,520
Salary payables	**68,927**	41,090
Duties and taxes (Net)	**22,362**	79,935
Other payables	**13,135**	9,610
	1,809,510	2,238,155
Ageing analysis:		
Less than 30 days:	**428,239**	1,364,448
30 - 90 days:	**664**	-
90 - 120 days:	**125,734**	-
120 - 180 days:	**104,399**	312,189
180 - 360 days:	**286,169**	430,884
Above 360 days:	**755,929**	-
	1,701,134	2,107,521
13 Accruals & provisions		
Accrued expenses	-	92,470
	-	92,470
14 Revenue		
Service income	**24,632,418**	6,867,515
	24,632,418	6,867,515
15 Direct cost		
Direct expenses	**23,132,690**	6,196,088
	23,132,690	6,196,088

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	2023	2022
16 Other income		
Other income for the year	-	8,946
	-	8,946
17 Administrative expenses		
Consultancy services	-	104,343
Depreciation on property, plant and equipment (Note 4)	436	436
Communication and utilities	2,612	5,012
General expenses	4,342	3,294
Visa & immigration services	37,324	42,722
Travelling and fuel expenses	45,508	41,733
Rent, Legal, visa and professional	121,642	125,393
Salaries and related benefits	258,113	271,125
Bad debts	401,665	-
	871,642	594,058
18 Finance costs		
Interest on loan	131,725	24,081
Bank charges	14,925	8,083
Exchange difference	6,853	5,707
	153,503	37,871

19 Commitments and contingencies

Capital expenditure commitments

The Company does not have significant capital commitments as at the reporting date.

Contingent liabilities

Except for the above and ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on Company's account as on the reporting date.

20 Financial and other risk Management

Management reviews overall financial and other risks covering specific areas, such as capital risk, liquidity risk, credit risk, and market risk. The Company's profile concerning exposure to financial risks identified below continues to be consistent.

Capital risk management

The capital is being managed by the Company in such a way that it is able to continue as a going concern while maximizing returns to investor. The Company's overall strategy remains unchanged from previous year.

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Financial and other risk management (continued)

Market Risk

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

Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flow of a financial instrument will fluctuate because of the changes in the market rates. The Company is exposed to interest rate risk on its interestbearing assets and liabilities (term loans, short-term loans and bill discounting). The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings.

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. The Company has adopted a policy of only dealing with creditworthy counterparties. However, significant revenue is generated by dealing with entities related to the Company, for whom the credit risk is assessed below.

	2023	2022
	AED	AED
Cash and cash equivalents	1,375,921	2,031,473
Trade receivables	7,039,515	5,678,735
	8,415,436	7,710,208

The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries.

Credit risks related to receivables are managed subject to the Company's policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria and the credit quality of customers is assessed by management. Outstanding customer receivables are regularly monitored. The requirement for an impairment is analyzed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security.

Foreign currency risk

Most of the Company's transactions are carried out in AED. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD) or Arab Emirates Dirhams. However, USD are fixed with the AED, hence no risk involved balances with regard to the USD.

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Financial and other risk Management (continued)

Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Company manages the liquidity risk through risk management framework for the Company's short, medium and long-term funding and liquidity requirements by maintaining adequate reserves

The table below analyses the Company's remaining contractual maturity for its financial liabilities

21 Comparative information

Previous year figures are re-classified/re-grouped/re-arranged wherever necessary.

22 Events after the reporting date

There have been no material events occurring after the reporting date that require adjustment to or disclosure in the Financial Statements.

23 All the figures are rounded to nearest AED.

Manager
April 29, 2023