

**TRANSRAIL CONTRACTING LLC
DUBAI, UAE**

**Financial Statements
for the ten months period ended
March 31, 2025**

**TRANSRAIL CONTRACTING LLC
DUBAI- UNITED ARAB EMIRATES**

FINANCIAL STATEMENTS AS ON MARCH 31, 2025

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CNK and Associates LLP (Dubai Branch)

Independent Auditor's Report

To the shareholders of TRANSRAIL CONTRACTING LLC

Report on the audit of financial statements

Opinion

We have audited the accompanying financial statements of Transrail Contracting L.L.C ("the Company"), which comprise the statement of financial position as at **March 31, 2025**, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the ten months period ended on March 31, 2025, and notes to the financial statements and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Transrail Contracting L.L.C as at **March 31, 2025**, and of its financial performance and its cash flows for the ten months period from June 21, 2024, to March 31, 2025, in accordance with International Financial Reporting Standards.

Basis of opinion

We conducted our audit in accordance with the 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 other ethical requirements that are relevant to our audit of the Company's financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Auditors' 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.

Independent Auditor's Report

To the shareholders of TRANSRAIL CONTRACTING LLC

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

- a) 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.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) 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 Company 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CNK and Associates LLP (Dubai Branch)

Independent Auditor's Report

To the shareholders of TRANSRail CONTRACTING LLC

Report on other legal and regulatory requirements

Further, as required by UAE Federal Law No. (32) of 2021, we report that for the year ended March 31, 2025:

- a) We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- b) The Financial Statements have been prepared and complied in all material respect, with the applicable provision of the UAE Federal Law No (32) of 2021, and the Memorandum of Association of the Company.
- c) The Company has maintained proper books of account.
- d) Note number 7 reflects material related party transactions and terms under which they were conducted.
- e) Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened, during the financial year ended March 31, 2025, any of the applicable provisions of the UAE Federal Law No. (32) of 2021, which would materially affect its activities or its financial position as on March 31, 2025;
- f) No social contributions were made during the ten months period ended March 31, 2025.

For and on behalf of
CNK and Associates LLP -Dubai Branch



Akshay Thomas Sam

Partner

Registration Number:1313

Date: May 23, 2025

Place: Dubai, UAE



TRANSRAIL CONTRACTING LLC
DUBAI- UNITED ARAB EMIRATES

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2025
(Amount in Arab Emirates Dirhams)

	Notes	As at March 31, 2025
NON CURRENT ASSETS		
Property, plant & equipments	4	88,683
TOTAL NON CURRENT ASSETS		88,683
CURRENT ASSETS		
Cash and cash equivalents	5	165,979
Deposits, prepayment and advances	6	31,230
Due from related party	7	3,077
TOTAL CURRENT ASSETS		200,286
TOTAL ASSETS		288,969
SHAREHOLDERS' EQUITY		
Share capital		500,000
Retained earnings		(274,629)
TOTAL SHAREHOLDERS' EQUITY		225,371
CURRENT LIABILITIES		
Due to related parties	7	44,728
Accounts and other payables	8	18,870
TOTAL CURRENT LIABILITIES		63,598
TOTAL LIABILITIES		63,598
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		288,969

The accompanying notes form an integral part of these financial statements.
The report of the auditors is set out on page 1 to 3.

FOR TRANSRAIL CONTRACTING LLC


NILESH MORE
MANAGER
DATE: 23/05/2025
PLACE: Dubai, UAE



TRANSRAIL CONTRACTING LLC
DUBAI- UNITED ARAB EMIRATES

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE TEN MONTHS PERIOD ENDED MARCH 31, 2025
(Amount in Arab Emirates Dirhams)

Particulars	Notes	For the ten months period ended March 31, 2025
Revenue		-
Less: Cost of revenue		-
GROSS PROFIT		-
EXPENSES		
Employee Benefit Expenses	9	122,316
General and administrative expenses	10	152,313
TOTAL EXPENSES		274,629
NET PROFIT/(LOSS) BEFORE TAX FOR THE PERIOD		(274,629)
Corporate Tax Expense		-
NET PROFIT /(LOSS) AFTER TAX FOR THE PERIOD		(274,629)
Other Comprehensive Income		-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(274,629)

The accompanying notes form an integral part of these financial statements.
The report of the auditors is set out on page 1 to 3.

FOR TRANSRAIL CONTRACTING LLC

NILESH MORE
MANAGER

DATE: 23/05/2025

PLACE: Dubai, UAE



TRANSRAIL CONTRACTING LLC
DUBAI- UNITED ARAB EMIRATES

STATEMENT OF CASH FLOW FOR TEN MONTHS PERIOD ENDED MARCH 31, 2025
(Amount in Arab Emirates Dirhams)

	For the ten months period ended March 31, 2025
CASH FLOW FROM OPERATING ACTIVITIES	
Net profit for the peirod	(274,629)
Add: Depreciation	13,065
Operating cash flow before changes in net operating assets	(261,564)
<u>(Increase) / Decrease in Current Assets</u>	
Due from Related Parties	(3,077)
Deposits, prepayment and advances	(31,230)
<u>Increase / (Decrease) in Current Liabilities & Provisions</u>	
Accounts and other payables	18,870
Due to Related Parties	44,728
Net cash flow (used in) operating activities	(232,273)
CASH FLOW FROM INVESTING ACTIVITIES	
Addition to Property Plant and Equipment	(101,748)
Net cash flow (used in) investing activities	(101,748)
CASH FLOW FROM FINANCING ACTIVITIES	
Share capital introduced	500,000
Net cash flow from financing activities	500,000
Net increase (decrease) in cash and cash equivalents	165,979
Cash and cash equivalents at beginning of the period	-
CASH & CASH EQUIVALENT AT THE END OF THE PERIOD	165,979

The accompanying notes form an integral part of these financial statements.
The report of the auditors is set out on page 1 to 3.

FOR TRANSRAIL CONTRACTING LLC

NILESH MORE
MANAGER

DATE: 23/05/2025
PLACE: Dubai, UAE



TRANSRAIL CONTRACTING LLC
DUBAI- UNITED ARAB EMIRATES

STATEMENT OF CHANGES IN EQUITY FOR TEN MONTHS PERIOD ENDED MARCH 31, 2025
(Amount in Arab Emirates Dirhams)

	Share Capital	Retained Earnings	Total
Share Capital Introduced	500,000	-	500,000
Net Profit /(Loss) for the period	-	(274,629)	(274,629)
Transfers during the period	-	-	-
Balance as at March 31, 2025	500,000	(274,629)	225,371

The accompanying notes form an integral part of these financial statements.
The report of the auditors is set out on page 1 to 3.

FOR TRANSRAIL CONTRACTING LLC


NILESH MORE
MANAGER

DATE: 23/06/2025
PLACE: Dubai, UAE



TRANSRAIL CONTRACTING LLC
DUBAI- UNITED ARAB EMIRATES

NOTES TO FINANCIAL STATEMENTS FOR THE TEN MONTHS PERIOD ENDED MARCH 31, 2025
(Amount in Arab Emirates Dirhams)

1 STATUS AND ACTIVITIES

M/s. Transrail Contracting LLC is a Single Owner Limited Liability Company formed and registered with Department of Economic Development, Dubai, UAE, vide Trade License No: 1359475. The license has been issued on 21 June 2024.

The registered address of the company is Office No. 406, owned by Arenco Real Estate L.L.C., Dubai Investment Park 1, Bur Dubai. The Company is licensed to engage:

- Electric Power Lines Contracting
- Solar Energy Systems Installation
- Electricity Control & Transmission Equipment Installation Works
- Power Stations Contracting Repairing
- Electrical Fitting Contracting

The authorized, issued, subscribed and paid up capital of the company is AED 500,000 (Arab Emirates Dirhams Five Hundred Thousand only) divided into 500 shares of AED 1,000/- held by the shareholder as mentioned below:

Shareholders	No of Shares	Amount	%
Transrail Lighting Limited, India	500	500,000	100%
Total	500	500,000	100%

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ('IFRSs')

- 2.1** The following new and revised IFRSs are issued and effective from January 1, 2024. The application of these new and revised IFRSs does not have any material impact in prior years but may affect the accounting in current and for future transactions or arrangements.

Disclosure of Accounting Policies (Amendments to IFRS 16: Lease Liability in a Sale and Lease Back)

- The amendments to IFRS 16 require a seller-lessee, in measuring the lease liability arising in a sale and leaseback transaction, not to recognize any amount of the gain or loss that relates to the right of use it retains.
- The amendments must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. The amendments do not have any material impact on the financial statements.

2.2 Disclosure of Accounting Policies (Amendments to IAS 1: Classification Liabilities as Current or Non-Current)

These amendments to paragraphs 69 to 76 of IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments must be applied retrospectively. The amendments do not have any material impact on the financial statements.

2.3 Disclosure of Accounting Policies (Supplier Finance Arrangement - Amendments to IAS 7 and IFRS 7)

These amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have any material impact on the financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE TEN MONTHS PERIOD ENDED MARCH 31, 2025
(Amount in Arab Emirates Dirhams)

2.4 New standards, amendments and interpretations not yet effective from January 1, 2024 and not early adopted.

Effective for
annual periods
beginning on or after

IFRS 18 Presentation and Disclosures in Financial Statements

The new standard, IFRS 18, replaces IAS1 Presentation of Financial Statements while carrying forward many of the requirements in IAS1.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss.
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements.
- improve aggregation and disaggregation

January 01, 2027

IFRS 18 requires retrospective application with specific transition provisions. An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted. These amendments are not expected to have a material impact on the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

The new standard, IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. An entity is required to apply IFRS 19 for annual reporting periods beginning on or after 1 January 2027. These amendments are not expected to have a material impact on the financial statements.

January 01, 2027

Lack of Exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

An entity is required to recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. These amendments are not expected to have a material impact on the financial statements.

January 1, 2025

NOTES TO FINANCIAL STATEMENTS FOR THE TEN MONTHS PERIOD ENDED MARCH 31, 2025
(Amount in Arab Emirates Dirhams)

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments:

An entity is required to apply these amendments for annual reporting periods beginning on or after 1 January 2025. The amendments include:

- A clarification that a financial liability is derecognized on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognize financial liabilities settled using an electronic payment system before the settlement date.
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

January 1, 2025

Management anticipates that these IFRS and amendments will be adopted in the financial statements in the initial period when they become mandatorily effective. The impact of these standards and amendments are currently being assessed by the management. These amendments are not expected to have a material impact on the financial statements.

3 MATERIAL ACCOUNTING POLICIES AND DISCLOSURES

3.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statement have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that are relevant to the operations of the company.

3.2 ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention. The accounting policies have been consistently applied by the establishment during the period under review.

3.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a Written Down Value basis over the estimated useful lives of the assets as follows:

Asset Class	Useful life (Years)
Furniture	5
Computers	3

3.4 IMPAIRMENT OF ASSETS

An assessment is made at each reporting date to determine whether there is objective evidence that a financial asset or group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss recognized for the difference between the recoverable amount and the carrying amount are adjusted in the income statement.

NOTES TO FINANCIAL STATEMENTS FOR THE TEN MONTHS PERIOD ENDED MARCH 31, 2025
(Amount in Arab Emirates Dirhams)

3.5 REVENUE RECOGNITION

The Company recognizes revenue from sale of goods based on a five step model as set out in IFRS 15:

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

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

Step 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 goods to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the 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.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

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

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

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized, this gives rise to a contract liability.

3.6 FOREIGN CURRENCY

Functional and presentation currency :

Financial statements are presented in UAE Dirham (AED) which is company's functional & presentation currency.

Transaction and balances :

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the reporting date are translated at rates of exchange ruling at the reporting date. Exchange differences arising in these are dealt with the statement of comprehensive income.

3.7 ACCOUNT RECEIVABLES

Receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts.

The management undertakes a periodic review of the amount recoverable from Accounts & other receivables and determines recoverability based on various factors such as ageing of receivables, payment history, collateral available & other knowledge about the receivables.

Provisions for bad and doubtful debts represent estimates of ultimate unrealizable debts. The estimates are judgmental and are based on case based evaluation by the management.

NOTES TO FINANCIAL STATEMENTS FOR THE TEN MONTHS PERIOD ENDED MARCH 31, 2025
(Amount in Arab Emirates Dirhams)

3.8 ACCOUNT & OTHER PAYABLES

Accounts & other payables are stated at nominal amounts payable for goods or services rendered.

3.9 PROVISIONS

Provisions are recognized when the company has a present obligation as a result of past event & it is probable that the outflow of resources will be required to settle the obligation; and a reliable estimated can be made of the amount of the obligation. the expense relating to any provision is recognized in the profit or loss, net of any reimbursement.

3.10 FINANCIAL INSTRUMENTS

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The financial assets at amortized cost consist of accounts and other receivables and cash and cash equivalents.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures loss allowances at an amount equal to lifetime ECLs.

The Company has elected to measure loss allowances for trade receivables at an amount equal to

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable 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 assessment and including forward-looking information.

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

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost is 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 asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables and cash and cash equivalents are presented separately in the statement of profit or loss.

Trade receivables and contract assets

The ECLs are calculated using simplified approach. The Company performance the calculation of ECL rates for other customers & related party receivables. Based on Company's overall assessment, the application of IFRS 9 has not resulted in additional impairment allowance.

Impact of the new impairment model

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements at March 31, 2025 has not resulted in an additional impairment allowance.

Financial Assets are recognized when the company becomes a party to the contractual provision of the financial instrument. Financial Assets are derecognized when the contractual rights to receive the cash flows expire or substantially all the risks and rewards of ownership have been transferred. These are stated at cost less impairment losses. These are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets.

TRANSRAIL CONTRACTING LLC
DUBAI- UNITED ARAB EMIRATES

NOTES TO FINANCIAL STATEMENTS FOR THE TEN MONTHS PERIOD ENDED MARCH 31, 2025
(Amount in Arab Emirates Dirhams)

3.10 FINANCIAL INSTRUMENTS (Continued...)

Financial Liabilities are recognized when the company becomes a party to the contractual provisions of the financial instrument. The company recognizes financial liabilities when they are discharged, cancelled or expired. Financial liabilities are recognized at cost, or where the impact is material at amortized cost using the effective interest method. These are included in current liabilities, except for maturities greater than 12 months after the reporting date which are classified as non-current liabilities.

3.11 CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flow, cash and cash equivalents include cash on hand and bank current accounts.

3.12 CRITICAL ACCOUNTING JUDGEMENTS & KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates & assumptions that affect the application of accounting policies & the carrying amounts of assets, liabilities, income & expenses. The estimates & associated assumptions are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstances.

Estimates & underlying assumptions are reviewed on a going concern 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 revision and future periods if the revision affects both current & future periods.

3.13 CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal Corporate Tax ("CT") regime in the UAE. The CT regime is effective to a company whose financial year starts from on or after June 1, 2023.

A business in UAE will be subject to a 9% tax rate or a possible higher rate as may be published in the future for the taxable income exceeding AED 375,000. There are other possible reliefs and/or exemptions that could be availed depending on locational presence and/or operations of the business in the UAE. Since the company has not breached the threshold of AED 375,000. Provisions towards corporate tax is not made during the period.

3.14 EMPLOYEE'S TERMINAL BENEFITS

Provision is made for end of service benefits (gratuity) payable to employees in accordance with UAE Labour Law and is based on current remuneration and cumulative period of service at the end of the reporting period, subject to completion of a minimum service year. As on March 31, 2025 the employee of the company have not been hired for more than a period of 12 months, hence the company has not made provision for EOSB.

4 PROPERTY, PLANT AND EQUIPMENTS	Furniture	Computer	Total
<u>Asset Cost</u>			
Balance as on June 21, 2024	-	-	-
Add: Addition during the period	96,151	5,597	101,748
Less: Disposal during the period	-	-	-
Balance as on March 31, 2025	96,151	5,597	101,748
<u>Accumulated Depreciation</u>			
Balance as on June 21, 2024	-	-	-
Depreciation for the period	12,932	133	13,065
Balance as on March 31, 2025	12,932	133	13,065
<u>Net book value</u>			
As at March 31, 2025	83,219	5,464	88,683

TRANSRAIL CONTRACTING LLC
DUBAI- UNITED ARAB EMIRATES

NOTES TO FINANCIAL STATEMENTS FOR THE TEN MONTHS PERIOD ENDED MARCH 31, 2025
(Amount in Arab Emirates Dirhams)

5 CASH AND CASH EQUIVALENTS	As at March 31, 2025
Cash at bank	165,979
Closing Balance	165,979

6 DEPOSITS, PREPAYMENT AND ADVANCES	As at March 31, 2025
Security Deposits	7,538
Prepayments	23,692
Closing Balance	31,230

7 RELATED PARTY TRANSACTIONS

Related parties include key management personnel, joint ventures, directors and entities which are controlled directly or indirectly by the management over which they exercise significant management influence. Account balances between the entity and its related parties are described below.

The Company enters into transactions with other companies that fall within the definition of a related party contained in IAS 24.

DUE FROM RELATED PARTIES	Services received/ provided	Nature of relationship	As at March 31, 2025
Nilesh Ganesh More	Advance to staff	Manager	3,077
Closing Balance			3,077

DUE TO RELATED PARTIES	Services received/ provided	Nature of relationship	As at March 31, 2025
Transrail International FZE	Reimbursements	Company in the same group	44,728
Closing Balance			44,728

During the period the Company entered into the following transactions with the related parties:

Name of the related party	Services received/ provided	Nature of relationship	For the ten months period ended March 31, 2025
Transrail Lighting Limited, India	Share capital	Parent Company	500,000
Transrail International FZE	Reimbursements of Expenses	Company in the same group	297,228
Total			797,228

TRANSRAIL CONTRACTING LLC
DUBAI- UNITED ARAB EMIRATES

NOTES TO FINANCIAL STATEMENTS FOR THE TEN MONTHS PERIOD ENDED MARCH 31, 2025
(Amount in Arab Emirates Dirhams)

8 ACCOUNTS AND OTHER PAYABLES	As at March 31, 2025
Other Payable	
-Payable to employee	18,870
Closing Balance	18,870

9 EMPLOYEE BENEFIT EXPENSES	For the ten months period ended March 31, 2025
Salary Expenses	111,816
Visa Expense	10,500
Total	122,316

10 GENERAL AND ADMINISTRATIVE EXPENSES	For the ten months period ended March 31, 2025
Rent	78,384
License Fees	12,694
Legal & Professional Fees	28,350
General Expense	11,715
Depreciation	13,065
Travelling Expense	8,105
Total	152,313

11 FINANCIAL INSTRUMENTS

Financial instruments mean Financial Assets, Financial Liabilities and Equity Instruments. Financial Assets of the establishment include Cash and cash equivalents, Accounts and other receivables and due from related parties. Financial Liabilities includes Accounts and other payables and due to related parties and loan from related parties.

The management believes that the fair value of the Financial Assets and Liabilities are not significantly different from their carrying amounts at balance sheet date.

The main risk arising from the company financial instruments are Currency Risk, Credit Risk and Interest Rate Risk.

Financial Instruments by category	As at March 31, 2025
<i>Financial Assets</i>	
Cash and cash equivalents	165,979
Security Deposit	7,538
Due from related parties	3,077
<i>Financial Liabilities</i>	
Accounts and other payables	18,870
Due to related parties	44,728

**TRANSRAIL CONTRACTING LLC
DUBAI- UNITED ARAB EMIRATES**

**NOTES TO FINANCIAL STATEMENTS FOR THE TEN MONTHS PERIOD ENDED MARCH 31, 2025
(Amount in Arab Emirates Dirhams)**

11 FINANCIAL INSTRUMENTS (Continued...)

a. Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The company is exposed to currency risk as the transactions are denominated in United States Dollars and Indian rupees which is then translated to UAE Dirham.

Currency Risk Management

In respect of other monetary assets and liabilities denominated in foreign currencies, the company ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rate when necessary to address short term imbalances.

b. 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. Financial Assets, which potentially expose the establishment to credit risk, comprise mainly of bank accounts.

Credit Risk Management

The establishment's bank accounts are placed with high credit quality financial institution. The establishment manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. Credit risk is limited to the carrying value of financial assets in the balance sheet.

c. Interest Rate Risk

The company does not have any short term or long term borrowings from banks or other financial institutions during the period.

Interest Rate Risk Management

Since the company does not have loan interest rate risk does not exist.

12 SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no significant events occurring after balance sheet date, which require disclosure in the financial statements.

13 PREVIOUS PERIOD FIGURES

Financial statement has been prepared from June 21, 2024 to March 31, 2025 and being first year of operation, comparative figures for the previous year are not available.

14 ROUNDING OFF

The figures in these financial statements have been rounded to the nearest UAE Dirham.

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

The report of the auditors is set out on page 1 to 3.

FOR TRANSRAIL CONTRACTING LLC


NILESH MORE
MANAGER

DATE: 23/05/2025
PLACE: Dubai, UAE

