TRANSRAIL INTERNATIONAL FZE
SHARJAH, UAE

Financial Statements
for the year ended March 31, 2025

TRANSRAIL INTERNATIONAL FZE
SHARJAH - UNITED ARAB EMIRATES

FINANCIAL STATEMENTS AS ON MARCH 31, 2025

INDEX

Independent Auditor's Report
To the shareholders of TRANSRAIL INTERNATIONAL FZE, HAMRIYAH FREE ZONE - SHARJAH

Report on the audit of financial statements

Opinion

We have audited the financial statements of Transrail International FZE, ("The Company"), which comprises the statement of financial position as at **March 31, 2025** and the statement of income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements and a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at **March 31, 2025** and 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 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.

Emphasis of Matter

We draw attention to Note 2 of the financial statements wherein the managements has stated that as at March 31, 2025, the company had accumulated losses of AED 2.86 million (2024: AED 1.72 million), excess of current liabilities over current assets of AED 0.471 Million (2024: Positive working capital of AED 0.29 Million) and negative operating cashflows of AED 0.22 million (2024: AED 0.54 million). However, the financial statements of the company have been prepared on a going concern basis as the company has started making gross profit on their sales and its shareholders have confirmed their support and ability to provide the necessary financial support for the next 12 months from the date of financial statements to enable it to continue its operations and discharge its obligations as and when they fall due.

Our opinion is not modified on this matter.

DUBAI : 903, Nassima Tower, Trade Centre1, Sheikh Zayed Road, P.O. Box 114459, Dubai - U.A.E.
Tel: +971 4 3559533 | Tel: +971 4 3559544 | Email: info@cnkuae.com | Website: www.cnkuae.com
DUBAI | MUMBAI | DELHI | BENGALURU | CHENNAI | VADODARA | AHMEDABAD | GANDHINAGAR | PUNE

Independent Auditor's Report
To the shareholders of TRANSRAIL INTERNATIONAL FZE, HAMRIYAH FREE ZONE - SHARJAH

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.

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 audit in accordance with ISAs, we exercise professional judgements 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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

DUBAI : 903, Nassima Tower, Trade Centre1, Sheikh Zayed Road, P.O. Box 114459, Dubai - U.A.E.
Tel: +971 4 3559533 | Tel: +971 4 3559544 | Email: info@cnkuae.com | Website: www.cnkuae.com
DUBAI | MUMBAI | DELHI | BENGALURU | CHENNAI | VADODARA | AHMEDABAD | GANDHINAGAR | PUNE

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 year 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.

DUBAI : 903, Nassima Tower, Trade Centre1, Sheikh Zayed Road, P.O. Box 114459, Dubai - U.A.E.
Tel: +971 4 3559533 | Tel: +971 4 3559544 | Email: info@cnkuae.com | Website: www.cnkuae.com
DUBAI | MUMBAI | DELHI | BENGALURU | CHENNAI | VADODARA | AHMEDABAD | GANDHINAGAR | PUNE

Independent Auditor's Report
To the shareholders of TRANSRAIL INTERNATIONAL FZE, HAMRIYAH FREE ZONE - SHARJAH

Report on other legal and regulatory requirements

Further, we report that:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Memorandum of Association of the company;
- The company has maintained proper books of account;
- Note 8 reflects material related party transactions and the terms under which they were conducted;
- Based on the information that has been made available to us, nothing else has come to our attention, which causes us to believe that the company has contravened during the financial year end March 31, 2025 any of the applicable provisions of its Memorandum of Association which could materially affects its activities or its financial position as at March 31, 2025 and
- No social contributions were made during the year

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

Akshay Thomas Sam
Partner
Registration No: 1313
Dubai, UAE
Date: May 07, 2025

P.O.Box: 114459
DUBAI - U.A.E.
CNK AND ASSOCIATES LLP - DUBAI BRANCH

DUBAI : 903, Nassima Tower, Trade Centre1, Sheikh Zayed Road, P.O. Box 114459, Dubai - U.A.E.
Tel: +971 4 3559533 | Tel: +971 4 3559544 | Email: info@cnkuae.com | Website: www.cnkuae.com
DUBAI | MUMBAI | DELHI | BENGALURU | CHENNAI | VADODARA | AHMEDABAD | GANDHINAGAR | PUNE

TRANSRAIL INTERNATIONAL FZE
SHARJAH- UNITED ARAB EMIRATES

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

	Notes	As at March 31, 2025	As at March 31, 2024
CURRENT ASSETS			
Cash and cash equivalents	5	174,583	47,124
Accounts and other receivables	6	35,123	33,299
Deposits, prepayment and advances	7	93,403	40,738
Due from related party	8	71,338	918,447
TOTAL CURRENT ASSETS		**374,447**	**1,039,608**
TOTAL ASSETS		**374,447**	**1,039,608**
SHAREHOLDERS' EQUITY			
Share capital		200,000	200,000
Retained earnings		(2,866,180)	(1,922,974)
TOTAL SHAREHOLDERS' EQUITY		**(2,666,180)**	**(1,722,974)**
NON CURRENT LIABILITIES			
Loan from Related Party	8	2,179,517	2,010,696
Employee End of Services Benefits	9	15,317	-
TOTAL NON CURRENT LIABILITES		**2,194,834**	**2,010,696**
CURRENT LIABILITIES			
Accounts and other payables	10	18,682	143,109
Loan from Related Party	8	183,074	-
Due to related parties	8	644,037	608,777
TOTAL CURRENT LIABILITIES		**845,793**	**751,886**
TOTAL LIABILITIES		**3,040,627**	**2,762,582**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**374,447**	**1,039,608**

The accompanying notes form an integral part of these financial statements.
The report of the auditors is set out on page 1 to 4.

FOR TRANSRAIL INTERNATIONAL FZE

RAJESH NEELAKANTAN
DIRECTOR
DATE:May 07, 2025
PLACE: Mumbai, India

ترانسرايل إنترناشونال ش.م.ح
P.O Box : 42023
Hamriyah Free Zone
Sharjah - U.A.E.
TRANSRAIL INTERNATIONAL FZE

NILESH MORE
DIRECTOR
DATE: May 07,2025
PLACE: Dubai, UAE

TRANSRAIL INTERNATIONAL FZE
SHARJAH- UNITED ARAB EMIRATES

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2025

(Amount in Arab Emirates Dirhams)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue	11	1,105,049	-
Less: Cost of revenue	12	(1,063,745)	-
GROSS PROFIT		**41,304**	-
Other income	13	-	1,101,785
EXPENSES			
Employee Benefit Expense	14	(502,488)	(138,989)
General and administrative expenses	15	(313,201)	(517,186)
Finance cost	16	(168,821)	(169,281)
TOTAL EXPENSES		**(984,510)**	**(825,456)**
NET PROFIT/(LOSS) BEFORE TAX FOR THE YEAR		**(943,206)**	**276,329**
Corporate Tax Expense		-	-
NET PROFIT /(LOSS) AFTER TAX FOR THE YEAR		**(943,206)**	**276,329**
Other Comprehensive Income		-	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(943,206)**	**276,329**

The accompanying notes form an integral part of these financial statements.
The report of the auditors is set out on page 1 to 4.

FOR TRANSRAIL INTERNATIONAL FZE

RAJESH NEELAKANTAN
DIRECTOR
DATE: May 07, 2025
PLACE: Mumbai, India

NILESH MORE
DIRECTOR
DATE: May 07, 2025
PLACE: Dubai, UAE

ترانسرايل إنترناشونال م.م.ح
P.O Box : 42023
Hamriyah Free Zone
Sharjah - U.A.E.
TRANSRAIL INTERNATIONAL FZE

TRANSRAIL INTERNATIONAL FZE
SHARJAH- UNITED ARAB EMIRATES

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

	For the year ended March 31, 2025	For the year ended March 31, 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the year	(943,206)	276,329
Add: Employee End of Services Benefits	15,317	-
Operating cash flow before changes in net operating assets	**(927,889)**	**276,329**
(Increase) / Decrease in Current Assets		
Accounts and other receivables	(1,824)	(9,269)
Due from Related Parties	847,109	(918,447)
Deposits, prepayment and advances	(52,665)	(17,046)
Increase / (Decrease) in Current Liabilities & Provisions		
Accounts and other payables	(124,427)	124,459
Due to Related Parties	35,260	-
Net cash flow (used in) operating activities	**(224,436)**	**(543,974)**
CASH FLOW FROM INVESTING ACTIVITIES		
Net cash flow (used in) investing activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from related party- Increase in loan and Movement of Interest	351,895	169,281
Net cash flow (used in) financing activities	**351,895**	-
Net increase (decrease) in cash and cash equivalents	**127,459**	**(374,693)**
Cash and cash equivalents at beginning of the year	47,124	421,817
CASH & CASH EQUIVALENT AT THE END OF THE YEAR	**174,583**	**47,124**

The accompanying notes form an integral part of these financial statements.
The report of the auditors is set out on page 1 to 4.

FOR TRANSRAIL INTERNATIONAL FZE

RAJESH NEELAKANTAN
DIRECTOR
DATE: May 07, 2025
PLACE: Mumbai, India

NILESH MORE
DIRECTOR
DATE: May 7, 2025
PLACE: Dubai, UAE

ترانسرايل إنترناشيونال م.م.ح
P.O Box : 42023
Hamriyah Free Zone
Sharjah - U.A.E.
TRANSRAIL INTERNATIONAL FZE

TRANSRAIL INTERNATIONAL FZE
SHARJAH- UNITED ARAB EMIRATES

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

	Share Capital	Retained Earnings	Total
Balance as at April 1, 2023	**200,000**	**(2,199,303)**	**200,000**
Additions during the period	-	-	-
Net Profit /(Loss) for the period	-	276,329	-
Transfers during the period	-	-	-
Balance as at March 31, 2024	**200,000**	**(1,922,974)**	**200,000**
Balance as at April 1, 2024	**200,000**	**(1,922,974)**	**200,000**
Additions during the period	-	-	-
Net Profit /(Loss) for the period	-	(943,206)	-
Transfers during the period	-	-	-
Balance as at March 31, 2025	**200,000**	**(2,866,180)**	**200,000**

The accompanying notes form an integral part of these financial statements.
The report of the auditors is set out on page 1 to 4.

FOR TRANSRAIL INTERNATIONAL FZE

RAJESH NEELAKANTAN
DIRECTOR
DATE: May 07, 2025
PLACE: Mumbai, India

NILESH MORE
DIRECTOR
DATE: May 07, 2025
PLACE: Dubai, UAE

ترانسرايل إنترناشونال م.م.ح
P.O Box : 42023
Hamriyah Free Zone
Sharjah - U.A.E.
TRANSRAIL INTERNATIONAL FZE

1 STATUS AND ACTIVITIES

M/s. Transrail international FZE is a Free zone entity registered with the Hamriyah Free zone authority, Government of Sharjah, vide Trade License No: 16598. The original license has been granted on December 4, 2017.

The registered address of the company is P2-ELOB Office no. E 11-F06, Hamriyah free zone- Sharjah, United Arab Emirates, P.O. BOX: 42023. The Company is licensed to engage in the business of General trading.

The authorized, issued, subscribed and paid up capital of the company is AED 200,000 (Arab Emirates Dirhams Two Hundred Thousand only) divided into 200 shares of AED 1,000/- held by the shareholder as mentioned below:

Shareholders	No of Shares	Amount	%
Transrail Lighting Limited, India	200	200,000	100%
Total	**200**	**200,000**	**100%**

2 GOING CONCERN

As at March 31, 2025, the company had accumulated losses of AED 2.86 million (2024: AED 1.72 million), excess of current liabilities over current assets of AED 0.471 Million (2024: Positive working capital of AED 0.29 Million) and negative operating cashflows of AED 0.22 million (2024: AED 0.54 million). However, the financial statements of the company have been prepared on a going concern basis as the company has started making gross profit on their sales and its shareholders have confirmed their support and ability to provide the necessary financial support for the next 12 months from the date of financail statement to enable it to continue its operations and discharge its obligations as and when they fall due.

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

3.1 The accounting policies used in the preparation of these financial statements are consistent with those used in the previous year except for the changes due to implementation of the following new and revised International Financial Reporting Standards as of January 1, 2024:

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 consolidated financial statements.

3.2 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 consolidated financial statements.

3.3 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 consolidated financial statements.

3.4 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 IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1. 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 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 consolidated financial statements.	January 01, 2027
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 consolidated 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 consolidated financial statements.	January 1, 2025
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 2026.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.

4 MATERIAL ACCOUNTING POLICIES AND DISCLOSURES

4.1 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.

4.2 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.

4.3 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.

4.4 REVENUE RECOGNITION

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

Step l: 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.

4.4 REVENUE RECOGNITION (Continued)

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.

IFRS 15 supersedes IAS 11 Constructions Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in scope of other standards. The new standard establishes a five step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company has a singly main source of revenue and has assessed the impact of the adoption of IFRS 15 on its financial statements as follows:

Sale of goods

Advances received from customers

Generally, the Company receives only short-term advances from its customers. They are presented as part of trade and other payables. Accordingly, there are no financing components in the Company's contracts with customers.

4.5 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.

4.6 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.

4.7 ACCOUNT & OTHER PAYABLES

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

4.8 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.

4.9 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 were calculated based on actual credit loss experience over the past three years. The Company performed 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, 2021 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.

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.

4.10 CASH AND CASH EQUIVALENTS

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

4.11 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.

4.12 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 year.

4.13 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.

5 CASH AND CASH EQUIVALENTS	As at March 31, 2025	As at March 31, 2024
Cash in hand	-	150
Cash at bank	174,583	46,974
Closing Balance	**174,583**	**47,124**

6 ACCOUNTS AND OTHER RECEIVABLES	As at March 31, 2025	As at March 31, 2024
Duties and Taxes	35,123	33,299
Closing Balance	**35,123**	**33,299**

7 DEPOSITS, PREPAYMENT AND ADVANCES	As at March 31, 2025	As at March 31, 2024
Deposits	25,595	17,111
Prepayments	55,126	23,627
Advances	12,682	-
Closing Balance	**93,403**	**40,738**

8 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	As at March 31, 2024
Transrail Lighting Limited	Receivable against consultancy income	Parent Company	-	918,447
Transrail Contracting LLC	Reimbursement of Expense	Co-Subsidiary	44,728	-
Nilesh Ganesh More	Advance to staff	Manager	26,610	-
Closing Balance			**71,338**	**918,447**

8 RELATED PARTY TRANSACTIONS (Continued)

DUE TO RELATED PARTIES	Services received/ provided	Nature of relationship	As at March 31, 2025	As at March 31, 2024
Transrail Lighting Limited, Afghanistan (Advance Received)	Advance received	Company in the same group	159,008	159,008
Transrail Lighting Limited, India - Reimbursements	Reimbursements	Parent company	485,029	449,769
Closing Balance			**644,037**	**608,777**

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

Name of the related party	Services received/ provided	Nature of relationship	For the year ended March 31, 2025	For the year ended March 31, 2024
Transrail Lighting Limited, India	Consultancy Income	Parent Company	-	1,101,785
Transrail Lighting Limited, India	Interest on loan	Parent Company	168,821	169,281
Transrail Lighting Limited, India	Purchase	Parent Company	1,063,745	-
Transrail Lighting Limited -Tanzania	Loan Received	Branch of parent company	183,074	-
Transrail Contracting LLC	Reimbursements of Expenses	Manager	297,228	-
Nilesh More	Salary and other benefits	Manager	501,704	138,989
Transrail Structures America Inc.	Consultancy Expenses	Company under common control	215,046	-
Total			**2,429,618**	**1,410,055**

LOAN FROM RELATED PARTY	Nature of relationship	As at March 31, 2025	As at March 31, 2024
Transrail Lighting Limited - India	Parent Company	1,688,200	1,688,200
Transrail Lighting Limited, India - Interest Accrued Payable	Parent Company	491,317	322,496
Transrail Lighting Limited -Tanzania*	Branch of Parent Company	183,074	-
Closing Balance		**2,179,517**	**2,010,696**
Short term Loan		183,074	-
Long term Loan		2,179,517	2,010,696

The Company has obtained an unsecured loan from its parent company, Transrail Lighting Limited, bearing an interest rate of 10% per annum. As per the original loan agreement dated March 21, 2022, and its subsequent amendment dated January 8, 2024, the loan along with the accrued interest was repayable by March 31, 2026.
However, pursuant to a further addendum to the loan agreement dated March 15, 2025, the tenure of the loan, along with the accrued interest, has been extended by an additional 25 months. Accordingly, the revised repayment date for the loan and accrued interest is now April 30, 2028.
As a result of this extension, the outstanding loan balance and related accrued interest continue to be classified as long-term liabilities in the financial statements.

* An unsecured loan has been obtained from Transrail Lighting Limited - Tanzania, Branch of parent company. The loan is interest-free and was provided under a loan agreement dated November 25, 2024. As per the terms of the agreement, the loan is repayable within six months from the date of receipt.

9 EMPLOYEE END OF SERVICE BENEFITS	As at March 31, 2025	As at March 31, 2024
Provision for Gratuity	15,317	-
Closing Balance	**15,317**	**-**

10 ACCOUNTS AND OTHER PAYABLES	As at March 31, 2025	As at March 31, 2024
Other Payable	-	2,620
Salary Payable*	-	128,989
Provision for Expenses	18,682	11,500
Closing Balance	**18,682**	**143,109**

*Salary payable includes salary payable to Nilesh Ganesh (Manager)

11 REVENUE	For the year ended March 31, 2025	For the year ended March 31, 2024
Sales-Conductor	1,105,049	-
Total	**1,105,049**	**-**

12 COST OF REVENUE	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchase -Conductor	1,063,745	-
Total	**1,063,745**	**-**

13 OTHER INCOME	For the year ended March 31, 2025	For the year ended March 31, 2024
Consultancy Income	-	1,101,785
Total	**-**	**1,101,785**

14 EMPLOYEE BENEFIT EXPENSE	For the year ended March 31, 2025	For the year ended March 31, 2024
Salary Expenses	501,704	138,989
Employee Insurance	784	-
Total	**502,488**	**138,989**

15 GENERAL AND ADMINISTRATIVE EXPENSES	For the year ended March 31, 2025	For the year ended March 31, 2024
Consultancy Expenses	215,046	349,376
Rent and License Fees	33,325	35,075
Legal & Professional Fees	34,374	119,978
General Expense	22,842	995
Foreign Exchange Loss	2,844	200
Recruitment Expenses	219	9,270
Bank Charges	4,551	2,292
Total	**313,201**	**517,186**

16 FINANCE COST	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on loan	168,821	169,281
Total	**168,821**	**169,281**

17 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	As at March 31, 2024
Financial Assets		
Cash and cash equivalents	174,583	47,124
Accounts and other receivables	35,123	33,299
Security Deposit Others	25,595	17,111
Due from related parties	71,338	918,447
Financial Liabilities		
Accounts and other payables	18,682	143,109
Due to related parties	644,037	608,777
Loan from Related Party	2,179,517	2,010,696

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.

17 FINANCIAL INSTRUMENTS (Continued...)

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 and accounts receivable.

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 year. However, the company has loans from related party at fixed 10% interest per annum and hence interest rate risk is present.

Interest Rate Risk Management

The company have loans with related parties. However, the interest rate is fixed and not subject to any modification due to inflation. Hence, Interest rate risk is not significant.

18 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.

19 PREVIOUS PERIOD FIGURES

Comparative period for the previous year have been regrouped and reclassified, wherever necessary to confirm the current period presentation.

20 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 4.

FOR TRANSRAIL INTERNATIONAL FZE

RAJESH NEELAKANTAN
DIRECTOR
DATE: May 7, 2025
PLACE: Mumbai

NILESH MORE
DIRECTOR
DATE:May 7, 2025
PLACE: Dubai

ترانسرايل إنترناشونال م.م.ح
P.O Box : 42023
Hamriyah Free Zone
Sharjah - U.A.E.
TRANSRAIL INTERNATIONAL FZE