

EXPERT HOUSE



**EXPERT HOUSE**  
CHARTERED ACCOUNTANTS

BELUGA INTERNATIONAL DMCC  
Dubai Multi Commodities Centre  
Dubai, United Arab Emirates

Auditor's report and Financial statements for the period starting from  
December 28, 2023 to March 31, 2024

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**BELUGA INTERNATIONAL DMCC**  
**Dubai Multi Commodities Centre**  
**Dubai, United Arab Emirates**  
**Auditor's report and Financial statements**  
**for the period starting from December 28, 2023 to**  
**March 31, 2024**

**BELUGA INTERNATIONAL DMCC**  
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**BELUGA INTERNATIONAL DMCC**  
Dubai Multi Commodities Centre  
Dubai, United Arab Emirates

**General Information**

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**Principal office address** : Unit No: 1403-38-D24  
Swiss Tower  
Plot No. JLT-PH2-Y3A  
Jumeirah Lakes Towers  
Dubai, United Arab Emirates

**Legal Status** : Company  
Dubai Multi Commodities Centre

**The Manager** : Name  
Mr. Christopher Ryan MC Millan

**The Auditor** : Expert House Chartered Accountants  
Dubai, United Arab Emirates

Account Name	Account Type	Account No.	Balance	Balance Date
Bank of China	Current	123456789	1000000.00	31/12/2023
Bank of China	Current	987654321	500000.00	31/12/2023

## BELUGA INTERNATIONAL DMCC Dubai, United Arab Emirates

### Director's Report

We have pleasure in presenting this report and the audited financial statements for the period starting from December 28, 2023 to March 31, 2024.

#### Review of Business :

The principal activity of the company during the year was Trading of Ship Charter & Barges & Tugs Charter.

#### Financial review:

The table below summarized results of 2024

	2024
	USD
Net Profit for the year/period	(855)
Earning per Share	(17)

#### 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.

#### Events after year end:

In our opinion 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.

#### Shareholder and his interest

The shareholder as at March 31, 2024 and their interest as at that date in the share capital of the company was as follows:

Name of the Shareholder	Nationality	No of Shares	Value per Share (USD)	Total Value (USD)
Dolphin Offshore Enterprises (India) Limited	Indian	50	272.29	13,615
		50		13,615



Statutory Auditors

A resolution to re-appoint Expert House Chartered Accountants as auditors for the year ended March 31, 2025 and fix their remuneration will be proposed to the board at the annual general meeting.

Statement of Director's responsibilities:

The applicable requirements, requires the Director 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 period then ended.

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

Managing Director  
May 9, 2024





**Independent auditor's report**

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To,  
The Shareholders'  
BELUGA INTERNATIONAL DMCC  
Dubai, United Arab Emirates

Report on the Audit of the Financial Statements

**Opinion**

We were appointed to audit the accompanying financial statements of BELUGA INTERNATIONAL DMCC, Dubai, United Arab Emirates ("the Free Zone Company") which comprise the statement of financial position as at March 31, 2024 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 notes to the financial statements, including a summary of significant accounting policies.

Subject to below mentioned paragraphs, in our opinion, the accompanying financial statements present fairly, in all material aspects, the financial position of the company as at March 31, 2024 and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis of 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 Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in UAE, 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.

**Management's Responsibility for the Financial Statements**

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards 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, 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 intend 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.





## EXPERT HOUSE

CHARTERED ACCOUNTANTS

### Report on the Audit of the Financial Statements (continued)

#### Other Information

Management is responsible for the other information. Other information comprises the director's report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of our knowledge obtained in the audit, or otherwise appears to be materially misstated. Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is no material misstatement of the other information and hence we are not required to report the same.

#### Auditor's responsible 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 auditors' 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 be 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 user taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 omission, 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 purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





## EXPERT HOUSE

CHARTERED ACCOUNTANTS

### Report on the Audit of the Financial Statements (continued)

- 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 auditors' 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.
- 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 representation.

### Report on Other Legal and Regulatory Requirements

We confirm that, in our opinion, the financial statements of the company have been properly prepared, in all material respect, in accordance with the applicable provisions of the DMCC Companies Regulations 2020. Further, as required by section 77.2 of the DMCCA Company Regulations 2020, we report that:

1. Based on the information that has been made available to us during the audit of these financial statements, nothing has come to our attention which causes us to believe that the activities undertaken by the Entity and as disclosed in Note 1 to these financial statements, are different from the activities approved under the trading license issued by DMCC Authority to the company.
2. The Entity's is not holding any Bank Account.

### Expert House Chartered Accountants

*Nouf.R*

**Nouf Rashid Mohamed Abdalla Abuhindi**

Reg. No: 4366,

Dubai, United Arab Emirates

09th May, 2024



File No.:- EHCA#295



**BELUGA INTERNATIONAL DMCC**  
 Dubai, United Arab Emirates  
 Statement of Financial Position as at March 31, 2024  
 (In US Dollar)



Assets Employed	Notes	2024
<b>Current Assets:</b>		
Deposits, Prepaid Expenses & Advances	5	24,231
Preliminary Expenses	6	3,421
	A	<u>27,652</u>
<b>Non Current Assets:</b>		
Capital Work in Progress	7	5,583,635
	B	<u>5,583,635</u>
<b>Total Assets</b>	<b>A+B=C</b>	<u><b>5,611,286</b></u>
<b>Liabilities &amp; Equity</b>		
<b>Current Liabilities:</b>		
Provisions, Accruals and Other Payables	8	5,598,527
	D	<u>5,598,527</u>
<b>Equity:</b>		
Share Capital	9	13,615
Retained Earnings	10	(855)
	E	<u>12,760</u>
<b>Total Liabilities</b>	<b>D+E=F</b>	<u><b>5,611,286</b></u>

The accompanying notes on pages 11 to 23 were form an integral part of these financial statements.

The report of the auditors is set out on page 4 to 6

The financial statements approved on May 09, 2024 and signed on behalf of the Entity, by:

  
 Authorised Signatory



Statement of Comprehensive Income for the period starting from December 28, 2023 to March 31, 2024  
(In US Dollar)

	Notes	For the period starting from December 28, 2023 to March 31, 2024
Operating Expenses	11	<u>855</u>
Preliminary Expenses	G	<u>855</u>
Operating Profit	G=H	<u>(855)</u>
Net Profit for the Period	H=I	<u>(855)</u>

The accompanying notes on pages 11 to 23 were form an integral part of these financial statements.

The report of the auditors is set out on page 4 to 6

The financial statements approved on May 09, 2024 and signed on behalf of the Entity, by:

  
Authorised Signatory



**Statement of Changes in Equity for the period starting from December 28, 2023 to March 31, 2024**  
(In US Dollar)

	Share Capital	Retained Earnings	Shareholder's Current Account	Total
At December 28, 2023	-	-	-	-
Addition during the period	-	-	-	-
Profit for the period	13,615	(855)	-	12,760
Movements in loan account	-	-	-	-
At March 31, 2024	13,615	(855)	-	12,760

The accompanying notes on pages 11 to 23 were form an integral part of these financial statements.

The report of the auditors is set out on page 4 to 6

The financial statements approved on May 09, 2024 and signed on behalf of the Entity, by:



Authorised Signatory



**Statement of Cash Flows for the period starting from December 28, 2023 to March 31, 2024**  
(In US Dollar)

		For the period starting from December 28, 2023 to March 31, 2024
<i>Cash flows from operating activities</i>		
Net Profit		(855)
Operating cash flow before changes in net operating assets	J	(855)
<i>(Increase) / Decrease in Current Assets</i>		
Deposits, Prepaid Expenses & Advances		(24,231)
Preliminary Expenses		(3,421)
<i>Increase / (Decrease) in Current Liabilities</i>		
Provisions, Accruals and Other Payables		5,598,527
Net cash flow (used in) operating activities	K	5,570,875
<i>Cash flows from investing activities</i>	J+K+L	5,570,020
Increase in Capital WIP - Vessel Prabha Purchase		(5,583,635)
Net cash flow (used in) investing activities	M	(5,583,635)
<i>Cash flows from financing activities</i>		
Share Capital Introduced		13,615
Net cash flow (used in) financing activities	N	13,615
Net increase in cash and cash equivalents	L+M+N=O	-
Cash and cash equivalents at beginning of the period	P	-
Cash and cash equivalents at end of the period	O+P=Q	-

The accompanying notes on pages 11 to 23 were form an integral part of these financial statements.

The report of the auditors is set out on page 4 to 6

The financial statements approved on May 08, 2024 and signed on behalf of the Entity, by:

  
Authorized Signatory



**Notes to the Financial Statements for the period starting from December 28, 2023 to March 31, 2024**

**(In US Dollar)**

**1 Legal status and business activities**

- 1.1** BELUGA INTERNATIONAL DMCC ("the Company") is registered in the Dubai Multi Commodities Center Dubai - United Arab Emirates (License no. DMCC-91258), as a Free Zone Company under the U.A.E. Federal Commercial Company Law on December 28, 2023 and license is valid upto January 08, 2025.
- 1.2** The company's business activity includes Trading of Ship Charter & Barges & Tugs Charter.
- 1.3** The management and control of the company are vested with the Manager Mr. Christopher Ryan MC Millan, an Indian National.
- 1.4** The registered office address of the company is Unit No: 1403-38-D24, Swiss Tower, Plot No: JLT-PH2-Y3A, Jumeirah Lakes Towers, Dubai, United Arab Emirates.

**2 Shareholding**

- 2.1** The shareholding of the company is as follows:

Name	Nationality	No. of shares	Value per share USD	Total value USD
Dolphin Offices Enterprises (India) Limited	Indian	50	272.29	13,615
		50		13,615

- 2.2** The authorized and paid up share capital of the Company is USD 13,615/- divided into 50 shares of USD 272.29/- each.

**3 Significant Accounting Policies**

A summary of the significant accounting policies, which have been applied consistently, are set out below:

**a) Basis of preparation**

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The financials have been presented in the currency of the US Dollars which is the functional currency of the company.

**b) Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of the U.A.E. Law issued by International Accounting Standards Board (IASB).

**c) Accounting convention**

These financial statements have been prepared under the historical cost convention. The fair / net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under International Financial Reporting standards (IFRS) and applicable requirements of the U.A.E. Law issued by the International Accounting Standards Board (IASB).

Notes to the Financial Statements for the period starting from December 28, 2023 to March 31, 2024

(In US Dollar)

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**d) Use of estimates and judgment**

The preparation of financial statements in conformity with approved accounting standards requires the use of judgments. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

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

The areas where various assumptions were exercised in application of accounting policies that are significant to the financial statements are as:

**Revenue from contracts with customers**

**Timing for transfer of control of goods:**

In case of performance obligation satisfied at point in time, the control of goods is transferred, when physical delivery of goods to the agreed location has occurred, as a result, the company has a present right to payment and retain none of the significant risks and rewards of the goods.

**Financing components**

The company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year from the due date. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

**Impairment**

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

**e) Key sources of estimation uncertainty and assumptions**

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

**Residual value of property, plant and equipments:**

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

**Estimated useful life of property, plant and equipments:**

Management determines the estimated useful lives and depreciation charge for its property, plant and equipment at the time of addition of the assets and is reviewed on annual basis.

**Impairment of non financial assets:**

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

Notes to the Financial Statements for the period starting from December 28, 2023 to March 31, 2024

(In US Dollar)

Valuation of inventory:

Management undertakes periodic review of all inventories. As per the prevailing market practice, the contents of different packets of diamonds are mixed and sorted/resorted. The management ensures that inventories are correctly valued with reference to the quantity, quality and rates for different grades of diamonds.

Inventory Provision

Management regularly undertakes a review of the company's inventory, in order to assess the likely realization proceeds, taking in account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning is required.

Provisions for expected credit losses of trade receivables

The loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgment in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

Revenue from contracts with customers

I. Determining the transaction price

The company's revenues from sale of goods is derived from fixed price contracts with customers and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Based on the historical performance of the company, it is highly probable that there will not be reversal of previously recognized revenue on account of the return of goods or volume of rebates.

II. Allocating the transaction prices

There is a fixed unit price for each item sold to the customer. Therefore, there is no judgment involved in allocating the contract price to each unit ordered in contracts with customers. Where a customer orders more than one item, the company is able to determine the split of the total contract price between each item by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

III. Provisions of rights to return goods, volume rebates and other similar obligations

The company reviews its estimate of expected returns at each reporting date on basis of the historical data for the returns, rebates and other similar obligations and updates the amounts of the asset and liability accordingly.

f) Adoption of new and revised International Financial Reporting Standards

New and revised International Financial Reporting Standards (IFRS)

The following IFRS, amendments thereto and interpretations issued by IASB that became effective for the current reporting period and which are applicable to the company are as follows:

- IFRS 16 – Leases
- Clarifications to IFRS 15 – Revenue from contracts with customers
- Amendments to IAS 19 – Plan Amendments, curtailments or settlements
- Amendments to IAS 28 – Long term interest in Associates and Joint Ventures
- Amendments to IFRS 9 – Prepayment features with compensation.
- Amendments to IFRSs – Annual Improvements to IFRS Standards 2015-17 cycle

During the current year, the management has adopted the above standards and amendments to the extent applicable to them from the financial reporting period commencing on or after January 1, 2021. The adoption of new standards (w.e.f. January 1, 2021) has no material impact on company's financial statements.

Notes to the Financial Statements for the period starting from December 28, 2023 to March 31, 2024

(In US Dollar)

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*International Financial Reporting Standards issued but not effective*

The Company has not early adopted any other standard, interpretation or amendment that has been issued but it is not yet effective.

g) Significant accounting policies

1 Financial Instruments

**Recognition and Initial Measurement**

The company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are attributable in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition.

**Classification and subsequent measurement of financial assets**

For the purpose of subsequent measurement, financial assets are classified as follows:

*Financial assets at amortized cost (debt instruments)*

Financial assets that are held within a business model whose objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest are subsequently measured at amortized cost less impairments, if any. Interest income calculated using effective interest rate (EIR) method and impairment loss, if any are recognized in the statement of profit and loss. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The company's financial assets at amortized cost include trade receivables, other current financial assets and cash and cash equivalents. Due to the short term nature of current receivables, their carrying amounts are considered to be the same as their fair value.

*Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)*

Financial assets that are held within a business model whose objective is achieved by both holding to the asset in order to collect contractual cash flows that are solely payments of principal and interest and by selling the financial assets, are subsequently measured at fair value through other comprehensive income. Changes in fair value are recognized in the other comprehensive income (OCI) and on derecognition, cumulative gain or loss previously recognized in OCI is reclassified to the statement of profit and loss. Interest income calculated using EIR method and impairment loss, if any are recognized in the statement of profit and loss.



Notes to the Financial Statements for the period starting from December 28, 2023 to March 31, 2024

(In US Dollar)

**Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon de-recognition (equity instruments)**

Upon initial recognition, the company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading.

Gains and losses on these financial assets are never recycled to profit and loss. Dividends are recognized as other income in the statement of profit and loss when the right payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial assets, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessments.

**Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit and loss. Changes in fair value and income on these assets are recognized in the statement of profit and loss. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so estimates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

**Classification and subsequent measurement of financial liabilities**

For the purpose of subsequent measurement, financial liabilities are classified as follows:

**Amortized cost** – Financial liabilities are classified as financial liabilities at amortized cost by default. Interest expense calculated using EIR method is recognized in the statement of profit and loss.

**Fair values through profit or loss (FVTPL)** – Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expense on these liabilities are recognized in the statement of profit and loss.

The company's financial liabilities include trade and other payables. The carrying amounts of financial liabilities are considered as to be the same as their fair values, due to their short term nature.

**De-recognition of financial assets and financial liabilities**

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

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

(Contd.)

**Notes to the Financial Statements for the period starting from December 28, 2023 to March 31, 2024**

**(In US Dollar)**

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

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**Impairment of financial assets**

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

**Expected credit losses are recognized in two stages:**

- > For credit exposures for which there has not been a significant increase in the credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12 months.
- > For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

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

**ii Foreign Currency Transactions**

Transactions in foreign currencies are converted into US Dollars at the rate of exchange ruling on the date of the transaction. Assets and Liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the reporting date. Resulting gains or losses arising from the foreign currency transactions are taken to the Statement of Comprehensive Income.

**Notes to the Financial Statements for the period starting from December 28, 2023 to March 31, 2024**

**(In US Dollar)**

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**iii Contingent liabilities and contingent assets**

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as a provision.

Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

**iv Provision**

Provisions are recognized when the company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

When some or all 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 receivable can be measured reliably.

**v Value Added tax**

The revenue, expenses and assets are recognized net of the value added tax (VAT). In case input VAT paid to the supplier of asset or expense is not recoverable from the Federal Tax Authority, it is disclosed as part of asset acquired or expense incurred.

Receivables and Payables are stated inclusive of the amount of VAT receivable or Payable. The Net amount of VAT recoverable from or VAT Payable to, FTA is disclosed as VAT payable or VAT receivable under current liabilities or current assets in the statement of financial positions as per the period of filing of VAT returns.

**vi Revenue Recognition**

Revenue from sale of goods is recognized at the point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customers and have been accepted by the customers at their premises and there is no unfulfilled obligation that could affect customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer or the company has objective evidence that all criteria for acceptance have been satisfied.

IFRS 15 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition:

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognize revenue when or as an entity satisfies performance obligation.

The amount of revenue is shown as net of discounts, returns, other similar obligations and VAT as per the performance obligations determined as per the provisions of the contracts with customers.

**vii Cash and Cash equivalents**

Cash and cash equivalents for the purpose of the cash flow statement comprise of cash on hand, bank current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of investment.

Notes to the Financial Statements for the period starting from December 28, 2023 to March 31, 2024

(In US Dollar)

**b) Going concern**

At the year end, the equity funds is USD 12,760/-. Management have also acknowledged the intention to carry on the business and the same is unlikely to shut down in near future. Hence, in absence of any evidence suggesting otherwise, the financial statements are prepared on going concern basis.

For the period  
starting from  
December 28, 2023 to  
March 31, 2024

**4 Related Party Disclosures**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

For the year ended March 31, 2024, following are the details of related party transactions:

**4.1 Related Party Transactions**

Name	Nature of Transactions	Relation	
Dolphin Offshore Enterprises (India) Limited	Loan taken	Holding Company	152,932
Dolphin Offshore Enterprises (Mauritius) Private Limited	Loan taken	Common Management	5,430,703
Deep International DMCC	Loan taken	Common Management	13,905
Loan - Dolphin Offshore Enterprises (India) Limited	Loan given	Common Management	13,615
			<u>5,611,155</u>

**6.2 Due to Related Party**

Name	Nature of Transactions	Relation	
Dolphin Offshore Enterprises (India) Limited	Loan taken	Holding Company	152,932
Dolphin Offshore Enterprises (Mauritius) Private Limited	Loan taken	Common Management	5,430,703
Deep International DMCC	Loan taken	Common Management	13,905
Loan - Dolphin Offshore Enterprises (India) Limited	Loan given	Common Management	13,615
			<u>5,611,155</u>

All the related party transactions represents transfer of resources at book values to / from other companies to facilitate day to day business operations of the company.

Notes to the Financial Statements for the period starting from December 28, 2023 to March 31, 2024

(In US Dollar)

	For the period starting from December 28, 2023 to March 31, 2024
<b>5 Deposits, Prepaid Expenses &amp; Advances</b>	
Deposits	408
Prepaid Expenses	10,208
Other Receivables	13,615
	<u>24,231</u>
<b>6 Preliminary Expenses</b>	
Pre-operative Expenses	4,276
Less: Amortised Pre-operative Expenses	(855)
	<u>3,421</u>
<b>7 Capital Work in Progress (CWIP)</b>	
Capital Work in Progress (CWIP)	5,583,635
	<u>5,583,635</u>
<b>8 Provisions, Accruals and Other Payables</b>	( Note 8.1 )
Accrued Expenses & Provisions	858
Loan Payable	5,597,669
	<u>5,598,527</u>
<b>8.1 Provisions, Accruals and Other Payables</b>	
Provisions are made for some expenses that may arise in future. Liabilities are recognized for amounts to be paid in the future for goods or services received, whether or not billed to the company.	
<b>9 Share Capital</b>	
The authorized and paid up share capital of the Company is USD 13,615/- divided into 50 shares of USD 272.29/- each.	
The Shareholding of the company as at reporting date are as follows:	
<b>Name of the shareholder</b>	
Dolphin Offshore Enterprises (India) Limited	13,615
	<u>13,615</u>
<b>10 Retained Earnings</b>	<u>(855)</u>

Notes to the Financial Statements for the period starting from December 28, 2023 to March 31, 2024

(In US Dollar)

	For the period starting from December 28, 2023 to March 31, 2024
<b>11 Preliminary Expenses</b>	
Pre-Operative Expense	855
	<u>855</u>
<b>12 Fair value of financial instruments</b>	
The Company's financial instruments are accounted for under the historical cost convention. Fair value represents the amount at which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, therefore, differences can arise between values under the historical cost method and fair value estimates. The fair value of the Company's financial instruments is not materially different from the carrying value at March 31, 2024.	
<b>13 Financial Instruments Risk</b>	
The company has exposure to the following risks from use of its financial instruments:	
a) Credit risk	
b) Market risk	
c) Liquidity risk	
<b>a) Credit risk</b>	
Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally of trade and other receivables and bank balances.	
The company's bank balances in current accounts are placed with high credit quality financial institutions.	
<b>b) Market risk</b>	
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as exchange rate risk, interest rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments.	
<i>Interest rate risk:</i> Since the company does not have any deposit or bank borrowings, interest rate risk is minimum.	
<i>Exchange rate risk:</i> Since the main underlying currencies of the financial instruments, other assets, other liabilities and transactions including cost of sales and sales are in U.A.E. Dirhams and U.S. Dollars, the Company is not exposed to a significant exchange rate risk.	
<b>c) Liquidity risk</b>	
Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the owners and the management who ensures that significant funds are made available to the company to meet any future commitments.	
<b>14 Contingencies and commitments</b>	
As at March 31, 2024 as per management the Company had no contingencies and commitments.	
<b>15 Approval of the financial statements</b>	
The financial statements were approved by shareholder and authorized for issue on May 9, 2024.	
The accompanying notes on pages 11 to 23 were form an integral part of these financial statements.	
The report of the auditors is set out on page 4 to 6	
The financial statements approved on May 09, 2024 and signed on behalf of the Entity, by:	

  
Authorized signatory

