20 Microns (FZE)

SAIF Zone, United Arab Emirates

Financial Statements

For the year ended 31 March 2024

TAX GIAN

Contents

20 MICRONS (FZE)

Sharjah Airport International Free Zone, United Arab Emirates

Financial Statements

For the year ended 31 March 2024

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Director's Report

20 MICRONS (FZE)
Sharjah Airport International Free Zone, United Arab Emirates

The Directors have pleasure in presenting their report and the audited financial statement for the year ended 31 March 2024.

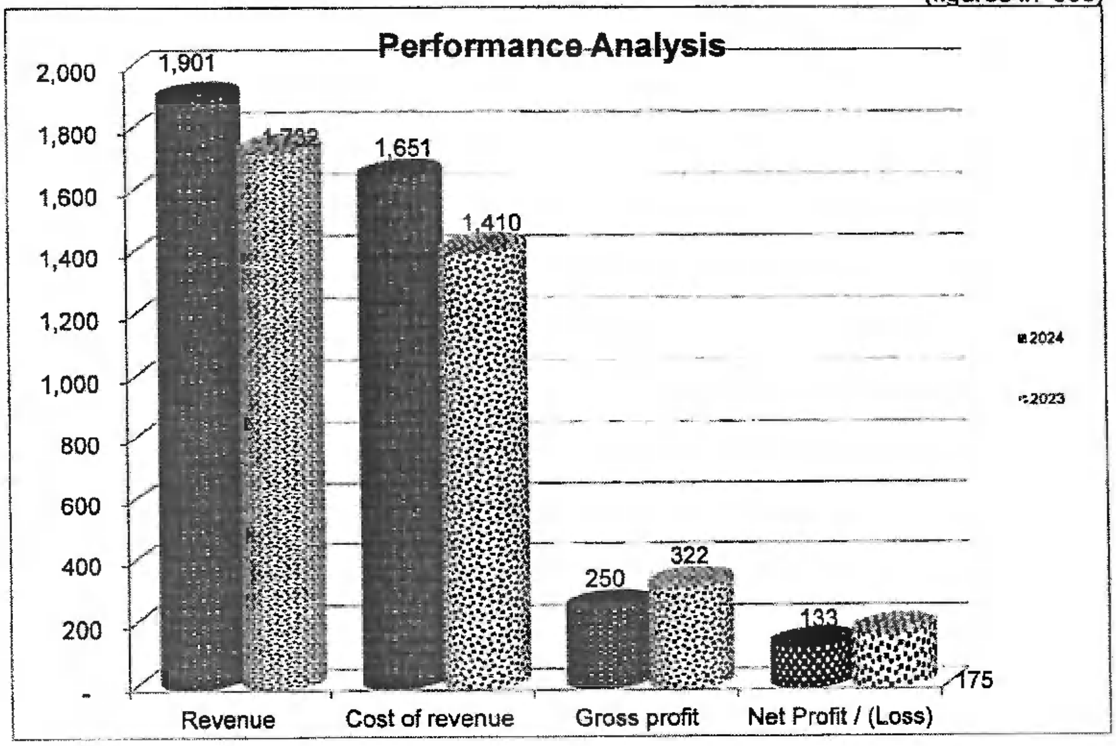
Principal Activities:

The principal activities of the Establishment are unchanged since the previous year and consist of General Trading.

Business Operations Review and Future Business Developments:

The establishment's performance was satisfactory with a turnover of AED 1,901,364 (2023: AED 1,732,294). The Directors consider this performance as satisfying in the context of highly competitive business environment all around. The establishment has achieved a net profit of AED 133,148 (2023: AED 175,465) during the year. The Directors are optimistic about the prospects for the ensuing year and expect to improve the performance of the establishment.

(figures in '000)



Director's Report

Director

A list of Directors, who served throughout the year and their interest in the share capital of the establishment as at 31 March 2024 was as follows:

Name	Nationality	2024	2023
Atil Parikh	India	0%	0%

Risk Management & Internal Control Systems:

The establishment is committed to the ongoing process of identifying risk factors, analysing the risks, and deciding upon measures of risk handling and risk control, with a view to achieving sustainability of business operations, employment and surpluses. The establishment's risk management framework identifies, accesses, manages and reports risks on a consistent and reliable basis. The Directors consider primary risk areas to be credit risk, market risk (interest rate, foreign exchange) and liquidity risk. The other risk areas include physical and operational risks, human resource risks, technology risks and business continuity and disaster recovery risks.

The management recognises their responsibility to ensure existence of the system of internal control and for reviewing its continued effectiveness. In view of the above, the management has in place a management information system, that facilitates financial and other information being periodically reported on a transparent basis to the management, and that in turns helps in initiating action, to mitigate risks to the extent feasible.

Going Concern:

The attached financial statement has been prepared on the going concern basis. While preparing the accounts the management has made an assessment of the establishment'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 establishment's ability to continue as a going concern.

Creditors Payment Policy:

The establishment maintain a policy of paying suppliers in accordance with terms and conditions agreed with them.

Events After Year End:

In the opinion of directors, no transaction or event of a material and unusual nature, favorable or unfavorable has arisen in the interval between the end of the financial year and the date of this report, which is likely to affect, substantially the result of the operations or the financial position of the establishment.

Property, Plant & Equipments:

The company does not own any property,Plants & Equipments in its name.

Auditors:

The Auditors, **M/s. Jitendra Chartered Accountants, Dubai**, United Arab Emirates are willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting (AGM).

Statement of Directors Responsibility:

The establishment law required the Directors to prepare the financial statement for each financial year which gives a true and fair view of the state of affairs of the establishment and of the net profit or loss for the financial year.

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

For 20 MICRONS (FZE)

20 MICRONS FZE
P. O. BOX.
121689
SAIF ZONE
SHARJAH UAE

Owners Representative

Place: **Sharjah Airport International Free Zone, United Arab Emirates**
Date : **02 May 2024**

INDEPENDENT AUDITOR'S REPORT

The Shareholders
20 MICRONS (FZE)
Sharjah Airport International Free Zone, United Arab Emirates

Opinion

We have audited the accompanying financial statements of 20 Microns FZE ("the Establishment"), which comprise the statement of financial position as at 31 March 2024 and the statement of profit or loss & other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of 20 Microns FZE ("the establishment), Sharjah as of 31 March 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with Emiri Decree No. 2 of 1995 issued in Sharjah on May 8, 1995 applicable to Sharjah Airport International Free Zone.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the establishment in accordance with the International Ethics Standards Board for accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirement that are relevant to our audit of the financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Responsibilities of Management Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of these 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, management is responsible for assessing the establishment'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 establishment or to cease operations, or has no realistic alternative to do so.
Those charged with governance are responsible for overseeing the Establishment's financial reporting process.

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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. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate they could reasonably be expected to influence the economic decision of user taken on the basis of these financial statements.

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

> Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

> Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Establishment's internal control.

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

> Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment'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 disclosure 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 many cause the establishment to cease continue as a going concern.

> 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.

> Obtain sufficient appropriate audit evidence regarding the financial information of the Establishment to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged the 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.

JITENDRA Chartered Accountants

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Report on other legal and regulatory requirements

Further, as required by the Emiri Decree No. 2 of 1995 issued in Sharjah on May 8, 1995 applicable to Sharjah Airport International Free Zone.

1. We have obtained all the information and explanations we considered necessary for the purpose of our audit;
2. The Establishment has maintained proper books of account and the accompanying financial statements were in agreement there with;
3. We are not aware of any contraventions except as stated above, during the year of the above mentioned laws, which may have material effect on the financial position of the Establishment or the result of its operations for the year.

Jitendra Chartered Accountants

P.O.Box: 43630
DUBAI - U.A.E.
JITENDRA CHARTERED ACCOUNTANTS

Divya

(Divya Jitendra Glanchandani)

Partner

Registration No. 608

Place: **Dubai,**
Date : **18 May 2024**

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20 MICRONS (FZE)

Sharjah Airport International Free Zone, United Arab Emirates

Statement of Financial Position

As at 31 March 2024

	Note	2024	2023
		AED	AED
ASSETS			
Current assets			
Accounts receivable	6	**274,666**	407,009
Other receivables and prepayments	7	**46,310**	33,187
Cash and balance with banks	9	**1,030,762**	782,857
Total current assets		**1,351,738**	1,223,053
TOTAL ASSETS		**1,351,738**	1,223,053
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**150,000**	150,000
Retained Earnings	11	**-**	-
Shareholder's current account	12	**767,325**	1,001,427
Total Equity		**917,325**	1,151,427
Current liabilities			
Accounts payable	13	**151,695**	64,538
Provisions & accruals	14	**282,718**	7,088
Total current liabilities		**434,413**	71,626
TOTAL EQUITY AND LIABILITIES		**1,351,738**	1,223,053

The notes on pages no. 11 to 29 form part of these financial statements.

These financial statements were authorized by the Owners Representative on 02 May 2024.

For 20 MICRONS (FZE)

20 MICRONS FZE P. O. BOX. 121889 SAIF ZONE SHARJAH, UAE

(Atil Parikh)
Owners Representative

The independent auditor's report is set out on pages 4 to 6.

20 MICRONS (FZE)

Sharjah Airport International Free Zone, United Arab Emirates

Statement of profit or loss and other comprehensive income

For the year ended 31 March 2024

	Note	2024	2023
		AED	AED
Revenue	15	**1,901,364**	1,732,294
Cost of revenue	16	**(1,650,901)**	(1,409,946)
Gross profit		**250,463**	322,348
Administration expenses	17	**(70,224)**	(64,718)
Selling expenses	18	**(19,016)**	-
Financial expenses	19	**(27,380)**	(18,660)
Other expenses	20	**(695)**	(63,505)
Profit from operation		**133,148**	175,465
Other comprehensive income for the year		-	-
Total Comprehensive Income for the year		**133,148**	175,465

The notes on pages no. 11 to 29 form part of these financial statements.

For 20 MICRONS (FZE)

20 MICRONS FZE P. O. BOX. 121088 SAIF ZONE SHARJAH, UAE

(Atil Parikh)
Owners Representative

The independent auditor's report is set out on pages 4 to 6.

20 MICRONS (FZE)

Sharjah Airport International Free Zone, United Arab Emirates

Statement of Changes in Equity

For the year ended 31 March 2024

	Share capital	Retained Earnings	Shareholder's current account	Total
	AED	AED	AED	AED
Balance at 01 April 2022	150,000	-	825,962	975,962
Total profit for the year	-	175,465	-	175,465
Profit transferred to shareholder's current account	-	(175,465)	175,465	-
At 31 March 2023	150,000	-	1,001,427	1,151,427
Total profit for the year	-	133,148	-	133,148
Profit transferred to shareholder's current account	-	(133,148)	133,148	-
Dividends declared	-	-	(367,250)	(367,250)
At 31 March 2024	**150,000**	**-**	**767,325**	**917,325**

The independent auditor's report is set out on pages 4 to 6.

The notes on pages no. 11 to 29 form part of these financial statements.

TAX GIAN

20 MICRONS (FZE)

Sharjah Airport International Free Zone, United Arab Emirates

Statement of Cash Flows

For the year ended 31 March 2024

	2024	2023
	AED	AED
Cash flows from operating activities:		
Net profit for the year	**133,148**	175,465
Adjustments for non cash items:		
Financial expenses	**27,380**	18,660
Operating profit before working capital charges	**160,528**	194,125
Operating assets and liabilities		
Net movement in accounts receivable	**132,343**	431,964
Net movement in other receivables & prepayments	**(13,123)**	(1)
Net movement in accounts payable	**87,157**	(435,909)
Net movement in provisions and accrued expenses	**275,630**	1
Net movement in amount due from related parties	**-**	485,879
Cash generated from operations:	**642,535**	676,059
Employees' end-of-service benefits paid	**-**	-
Net cash generated from operating activities	**642,535**	676,059
Cash flows from investing activities		
Net cash flow from investing activities	**-**	-
Cash flows from financing activities		
Financial expenses	**(27,380)**	(18,660)
Dividends declared	**(367,250)**	-
Net cash (used in) financing activities	**(394,630)**	(18,660)
Net Increase in cash and cash equivalents	**247,905**	657,399
Cash and cash equivalents beginning of the year	**782,857**	125,458
Cash and cash equivalents end of the year	**1,030,762**	782,857

The notes on pages no. 11 to 29 form part of these financial statements.
The independent auditor's report is set out on pages 4 to 6.

1 Legal status and principal activities

a) 20 MICRONS (FZE), ("the Establishment") is incorporated on 07 February 2011 as a Free Zone Establishment (with Limited Liability) and operates in the United Arab Emirates under a commercial license issued by the Sharjah Airport Free Zone, Government of Sharjah, Sharjah, United Arab Emirates.

b) The principal activities of the Establishment are unchanged since the previous year and consist of General Trading mainly dealing in clay.

c) The registered office of the Establishment is located at Executive Desk Q1-08-012/C, P. O. Box 120194, SAIF Zone, Sharjah, United Arab Emirates.

d) The management and control was vested with Mr. Atil Parikh Owners Representative and manager as per trade license.

e) These financial statements incorporate the operating results of the commercial license No.09022 which is valid unto 6th February 2025.

f) The shareholding pattern of the Establishment as on 31 March 2024 is as under :

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

Name of shareholders	No of shares	2024	2023
20 Microns Limited, India	1	100%	100%
		100%	100%

2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 New and amended IFRS Standards that are effective for the current year

New and revised IFRSs

IFRS 17 Insurance Contracts; (Effective for annual periods beginning on or after 1 January 2023)

IFRS 17 was issued by the IASB in 2017 and replaces IFRS 4 for annual reporting period beginning on or after 1 January 2023. IFRS 17 introduces an internationally consistent approach to the accounting for insurance contracts. Prior to IFRS 17, significant diversity has existed worldwide relating to the accounting for and disclosure of insurance contracts, with IFRS 4 permitting many previous accounting approaches to be followed.

Since IFRS 17 applies to all insurance contracts issued by an Company (with limited scope exclusions), its adoption may have an effect on non-insurers. The Company carried out an assessment of its contracts and operations and concluded that the adoption of IFRS 17 has had no effect on the annual financial statements of the Company.

Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements);(Effective for annual periods beginning on or after 1 January 2023)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure

These amendments have no effect on the measurement or presentation of any items in the financial statements of the Company but affect the disclosure of accounting policies of the Company.

Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors); (Effective for annual periods beginning on or after 1 January 2023)

The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors.
These amendments had no effect on the financial statements of the company.

2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.1 New and amended IFRS Standards that are effective for the current year (continued)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); (Effective for annual periods beginning on or after 1 January 2023)

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognized simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

These amendments had no effect on the annual financial statements of the Company.

International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes); (Effective for annual periods beginning on or after 1 January 2023)

In December 2021, the Organization for Economic Co-operation and Development (OECD) released a draft legislative framework for a global minimum tax that is expected to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profit from one jurisdiction to another in order to reduce global tax obligations in corporate structures. In March 2022, the OECD released detailed technical guidance on Pillar Two of the rules.

Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The IASB issued the final Amendments (the Amendments) International Tax Reform – Pillar Two Model Rules, in response to stakeholder concerns on 23 May 2023

The Amendments introduce a mandatory exception to Companys from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two model rules. The exception is effective immediately and retrospectively. The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes. Management of A Layout has determined that the Company is not within the scope of OECD's Pillar Two Model Rules and the exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes is not applicable to the Company.

2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRS in issue but not yet effective

Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases); (Effective for annual periods beginning on or after 1 January 2024)

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements); (Effective for annual periods beginning on or after 1 January 2024)

The Board added paragraphs 76A and 76B to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the Company. Settlement by way of an Company's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception.In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded determining whether the liability is current or non current. Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore not considered to represent 'settlement'.

Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); Effective for annual periods beginning on or after 1 January 2024)

The Board decided that if an Company's right to defer settlement a liability is subject to the Company complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. Furthermore, the Board specified that therequirements in paragraph 72B apply only to liabilities arising from loan arrangements.

2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRS in issue but not yet effective (continued)

Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures); Effective for annual periods beginning on or after 1 January 2024)

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an Company owes to its suppliers. The Company agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the Company's suppliers. The amendments require an Company to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates) ; Effective for annual periods beginning on or after 1 January 2025)

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.A currency is considered to be exchangeable into another currency when an Company is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another
estimation technique.

3 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Current/Non-Current Classification

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

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

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

The Entity classifies all other liabilities as non-current.

The company has adopted new and revised International Financial Reporting Standards (IFRSs) which are effective for annual periods beginning 01 April 2023, to that extent changes are made in the presentation of these financial statements.

Changes in accounting policies

The Establishment has adopted new and revised International Financial Reporting Standards (IFRSs) which are effective for annual periods beginning 01 April 2023, to that extent changes are made in the presentation of these financial statements.

4 Significant accounting policies

The principal accounting policies are set out below:

4.1 Functional currency

These financial statements are presented in Emirati Dirham, which is the Entity's functional currency.

4.2 Revenue recognition

Revenue from the sale of goods and services is therefore recognised at a point in time or over time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration which the Entity expects to be entitled in exchange for transferring promised goods or services to the customer.

4.2 Revenue recognition (Continued)

The consideration expected by the Entity may include fixed or variable amounts. Revenue is recognized when it transfers control over goods and services to the customer and only when it is highly probable that a reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods and services are accounted for separately based on their stand-alone selling prices. A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For products for which a right of return exists during a defined period, revenue recognition is determined based on the historical pattern of actual returns, or in cases where such information is not available, revenue recognition is postponed until the return period has lapsed.

Sale of goods

Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

4.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income when incurred.

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

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straightline method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation:

	Years
Computer Equipment	3
Furniture and Office Equipments	4

4.4 Impairment of tangible assets

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

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

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

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

4.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4.6 Provisions

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

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

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

4.7 Leases

The Entity does not lease any property. Rental contracts are typically made for fixed periods of 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Entity assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset,the Entity assess whether:

• the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represents substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

• it has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

• it has the right to direct the use of the asset

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Entity's incremental borrowing rate can be used.

Lease liabilities include the net present value of the following lease payments:

• fixed payments (including in-substance fixed payments), less any lease incentive receivables

• variable lease payment that are based on an index or a rate

• amounts expected to be payable by the lessee under residual value guarantees:

• the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and

• payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Entity re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

4.7 Leases (Continued)

• the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

• a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Entity did not make any such adjustments during the year.

The lease liability is presented as a separate line in the statement of financial position.

Right-of-use assets are measured at cost comprising the following:

• the amount of the initial measurement of lease liability
• any lease payments made at or before the commencement date less any lease incentives
• any initial direct costs, and
• restoration costs.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated using straight-line method from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The right-of-use assets are presented as a separate line in the statement of financial position.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

4.8 Employee's terminal benefits

End of service indemnity

Provision is made for the full amount of end of service indemnity due to non-U.A.E. national employees in accordance with the applicable Labour Law and is based on current remuneration and their period of service at the end of the reporting year.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Entity in respect of services provided by employees up to the reporting date.

4.9 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4.10 Foreign currencies

In preparing the financial statements of the Entity, transactions in currencies other than the Entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, which are described in note 4 to these financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgements and estimates made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

5.1 Critical judgements in applying accounting policies

Judgements in determining the timing of satisfaction of performance obligations

Determining the timing of satisfaction of performance obligations - revenue recognition
In making their judgement, the Entity considers the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Entity has transferred control of the goods to the customer. The management is satisfied that control has been transferred and that recognition of revenue in the current year is appropriate.

5.1 Critical judgements in applying accounting policies (continued)

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 3.13). The Entity determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Entity monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Entity's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

5.2 Key sources of estimation uncertainty

Discounting of lease payments

The lease payments are discounted using the Entity's incremental borrowing rate ("IBR"). The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application is 01 January 2022.

Management has applied judgements and estimates to determine the IBR at the commencement of lease.

Calculation of loss allowance

When measuring ECL the Entity uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Useful lives of property, plant and equipment

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

6 Accounts receivable

	2024	2023
	AED	AED
Accounts receivable	**274,666**	407,009
	274,666	407,009

a) Ageing analysis of accounts receivable:

Due for less than 180 days	**274,666**	407,009
	274,666	407,009

The above accounts receivable are considered good and the fair value of accounts receivable is not materially different from their balances shown.

b) Credit risk:

At the balance sheet date, four customers accounted for 100% (2023: 80%) of the total outstanding accounts receivable and as such, the Establishment has significant concentration of credit risk and no money was received subsequent to balance sheet till 10 April 2024.

7 Other receivables and prepayments

	2024	2023
	AED	AED
Prepayments	**29,387**	29,387
Deposits	**-**	3,800
Advance paid to suppliers	**16,923**	-
	46,310	33,187

8 Related parties transactions

The Establishment enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24, International Financial Reporting Standards (IFRS). Such transactions are in normal course of business and at terms that correspond to those on normal arms-length transactions with third parties. Related parties comprise companies and entities under common ownership and / or common management and control; their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services received / rendered from / to related parties as well as other charges, if applicable.

20 MICRONS (FZE)

Sharjah Airport International Free Zone, United Arab Emirates

Notes to the financial statements

For the year ended 31 March 2024

9 Cash and balance with banks

	2024 AED	2023 AED
Bank balances	**1,030,762**	782,857
	1,030,762	782,857

10 Share capital

Name of Shareholder	No. of shares	2024 AED	2023 AED
20 Microns Limited, India	1	**150,000**	150,000
		150,000	150,000

11 Retained Earnings

	2024 AED	2023 AED
Opening balance	**-**	-
Net profit for the year	**133,148**	175,465
Profit transferred to shareholder's current account	**(133,148)**	(175,465)
Closing balance	**-**	-

12 Shareholder's current account

	2024 AED	2023 AED
Opening balance	**1,001,427**	825,962
Profit transferred to shareholder's current account	**133,148**	175,465
Dividends declared	**(367,250)**	-
	767,325	1,001,427

Breakup of shareholder's current accounts:

Name of owner	Balance at beginning of the year AED	Net Movements during the year AED	Balance at the end of the year AED
20 Microns Limited, India	1,001,427	(232,102)	769,325
	1,001,427	(232,102)	769,325

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20 MICRONS (FZE)

Sharjah Airport International Free Zone, United Arab Emirates

Notes to the financial statements

For the year ended 31 March 2024

13 Accounts payable

	2024 AED	2023 AED
Accounts payable	151,695	64,538
	151,695	64,538

Aging analysis of accounts payable:

	2024	2023
Due for less than 30 Days	141,319	33,170
Due for between 30 - 90 Days	10,376	31,368
	151,695	64,538

14 Provisions & accruals

	2024 AED	2023 AED
Accruals	31,064	7,088
Advance received from customers	251,654	-
	282,718	7,088

15 Revenue

		2024 AED	2023 AED
Sales		1,673,372	1,260,448
Freight & Insurance receipts		227,992	471,846
		1,901,364	1,732,294
Sales within U.A.E		-	-
Sales outside U.A.E	: Asia	1,366,556	986,442
	: Africa	367,966	125,372
	: USA	87,075	-
	: Europe	-	64,901
	: GCC	79,767	83,733
		1,901,364	1,260,448

20 MICRONS (FZE)

Sharjah Airport International Free Zone, United Arab Emirates

Notes to the financial statements

For the year ended 31 March 2024

16 Cost of revenue

	2024 AED	2023 AED
Purchases (includes direct expenses related to sales transport)	1,650,901	1,409,946
	1,650,901	1,409,946

17 Administration expenses

	2024 AED	2023 AED
Rent	18,000	18,000
Legal, visa and taxes	28,439	30,887
Professional fees	11,828	7,876
Courier Charges	11,957	7,955
	70,224	64,718

18 Selling expenses

	2024 AED	2024 AED
Export Sales Commission	19,016	-
	19,016	-

19 Financial expenses

	2024 AED	2024 AED
Bank charges	27,380	18,660
	27,380	18,660

20 Other expenses

	2024 AED	2023 AED
Bad debts written off	-	40,562
Loss on Foreign Exchange	-	22,782
Miscellaneous Expenses	695	161
	695	63,505

20 MICRONS (FZE)

Sharjah Airport International Free Zone, United Arab Emirates

Notes to the financial statements

For the year ended 31 March 2024

21 Financial instruments and risk management

Significant accounting policies

Details of significant policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 4 to the financial statements.

Categories of financial instruments

As at 31 March 2024	Financial assets Amortised cost	Financial liabilities Amotised cost
	AED	AED
Accounts receivable	274,666	-
Other receivables and	46,310	-
Cash and balance with banks	1,030,762	-
Accounts payable	-	151,695
Provisions & accruals	-	282,718
	1,351,738	434,413

As at 31 March 2023	Financial assets Amortised cost	Financial liabilities Amotised cost
	AED	AED
Accounts receivable	274,666	-
Other receivables and prepayments	46,310	-
Cash and balance with banks	1,030,762	-
Accounts payable	-	64,538
Provisions & accruals	-	7,088
	1,351,738	71,626

Fair value measurements

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

21 Financial instruments and risk management (continued)

Fair value measurements (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their carrying values.

Financial risk management

The Entity's financial risk management policies set out the Entity's overall business strategies and risk management philosophy. The Entity's overall financial risk management program seeks to minimise potential adverse effects to the financial performance of the Entity. The management carries out overall financial risk management covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk and investing excess cash.

The Entity's activity expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

The Entity does not hold or issue derivative financial instruments for speculative purposes.

Interest risk

If interest rates had been 50 basis points higher/(lower) and all other variables were held constant, Entity's profit for the year then ended would (decrease)/increase by AED .... (2020: (decrease)/increase by AED ....).

The company has no borrowings.

Market risk

The Entity's activity expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Entity's exposure to market risks or the manner in which it manages and measures the risk.

21 Financial instruments and risk management (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Entity. As at 31 December 2022, the Entity's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Entity due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Entity arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

In order to minimise credit risk, the Entity has tasked its management to develop and maintain the Entity's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, management uses other publicly available financial information and the Entity's own trading records to rate its major customers and other debtors. The Entity's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Directors which has built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

22 Contingent liabilities

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability on company's account as of balance sheet date.

23 Post balance sheet event

No transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial period and the date of this report, which is likely to affect, substantially the result of the operations or the financial position of the Company.

24 Comparative amounts

Some of the figures for the previous year have been reclassified and rearranged in order to conform to the presentation for the current year. This has been done to improve the quality of information presented in the financial statements. Such reclassification and rearrangements does not affect previously reported net profit or equity.