

FORBES LUX FZE

Special Purpose Financial Statements

31 March 2025

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FORBES LUX FZE
Director's Report

The Director submits his report, together with the audited special purpose financial statements of **FORBES LUX FZE** (the "establishment"), for the year ended 31 March 2025.

Results and appropriations

The results of the establishment and the appropriations made for the year ended 31 March 2025 are set out on pages 5 and 6 of the special purpose financial statements.

In my opinion, the special purpose financial statements set out on pages 4 to 17 are drawn up so as to give a true and fair view of the financial position of the establishment as at 31 March 2025 and the financial performance, changes in equity and cash flows of the establishment for the year then ended in accordance with the International Financial Reporting Standards.

Review of the business

Since the previous year, the establishment has ceased operations and resolved to liquidate the establishment.

Purpose

The special purpose financial statements have been prepared for the limited purpose of facilitating the preparation of consolidated financial statements of the ultimate parent shareholder company and not for statutory compliance.

Events since the end of the year

There were no important events which have occurred since the year-end that materially affect the establishment.

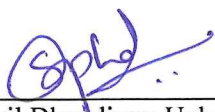
Shareholder and its interests

The shareholder as at 31 March 2025 and its interests as at that date in the share capital of the establishment were as follows:

	<i>Country of incorporation</i>	<i>No. of shares</i>	<i>AED</i>	<i>USD</i>
Euro Forbes Limited	U.A.E.	<u>1,632</u>	<u>163,200,000</u>	<u>44,460,498</u>
		<u>1,632</u>	<u>163,200,000</u>	<u>44,460,498</u>

Independent auditor

A resolution to re-appoint the independent auditor and fix the remuneration will be put to the board at the annual general meeting.


 Sunil Dhondiram Uphale
DIRECTOR



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF FORBES LUX FZE

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the special purpose financial statements of **FORBES LUX FZE** (the “establishment”), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the special purpose financial statements, including material accounting policy information.

In our opinion, the accompanying special purpose financial statements present fairly in all material respects, the financial position of the establishment as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the special purpose financial statements* section of our report. We are independent of the establishment in accordance with the ethical requirements that are relevant to our audit of the special purpose financial statements in United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphases of Matter

Without qualifying our opinion, we draw attention to the following notes to the special purpose financial statements: -

- Note 2, which describes the change to liquidation basis of accounting as a result of the establishment's intent to liquidate; and
- Note 2, which describes the purpose of the preparation of the special purpose financial statements.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

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

In preparing the special purpose 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 but to do so.

Those charged with governance are responsible for overseeing the establishment's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF FORBES LUX FZE

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements (cont'd)

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

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

- Identify and assess the risks of material misstatement of the special purpose 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 special purpose 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. We concur with management's decision to prepare the financial statements on a liquidation basis as the management of the parent shareholder company has resolved to cease the operations of the company.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Use and Distribution

Our report is intended solely for the information and use of the establishment and management of Eureka Forbes Limited India, for the preparation of their consolidated financial statements and is not intended to be and should not be used by anyone other than the specified parties.



Signed by: ' '

C. D. Shah

Partner

Registration No. 677

Shah & Alshamali Associates Chartered Accountants

6 May 2025

Dubai, United Arab Emirates



FORBES LUX FZE**Statement of Financial Position
as at 31 March 2025**

	<i>Notes</i>	2025 <u>USD</u>	2024 <u>USD</u>
ASSETS			
Due from parent shareholder company	5	-	-
Trade receivables	6	-	-
Advances and other receivables	7	58,345	61,106
Cash and cash equivalents	8	<u>82,520</u>	<u>153,434</u>
		<u>140,865</u>	<u>214,540</u>
Total assets		<u>140,865</u>	<u>214,540</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	9	44,460,498	44,460,498
Accumulated losses		<u>(45,427,777)</u>	<u>(45,361,704)</u>
Equity deficit		<u>(967,279)</u>	<u>(901,206)</u>
Liabilities			
Staff end of service gratuity		59,884	55,599
Trade payables	10	1,023,785	1,024,857
Accruals		<u>24,475</u>	<u>35,290</u>
		<u>1,108,144</u>	<u>1,115,746</u>
Total liabilities		<u>1,108,144</u>	<u>1,115,746</u>
Total equity and liabilities		<u>140,865</u>	<u>214,540</u>

The notes on pages 8 to 17 form an integral part of these special purpose financial statements.

On behalf of the board


Sunil Dhondiram Uphale
DIRECTOR



FORBES LUX FZE

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2025

	<i>Notes</i>	<i>2025 USD</i>	<i>2024 USD</i>
Sales		-	-
Cost of sales		<u>-</u>	<u>-</u>
Gross profit		-	-
Expenses			
Administrative and selling expenses	11	(121,989)	(177,942)
Provision for expected credit losses	7	<u>-</u>	<u>(26,900)</u>
Loss from operations		(121,989)	(204,842)
Excess provision written back	6	60,000	65,000
Impairment of advance to parent shareholder company	5	<u>(4,084)</u>	<u>(8,986)</u>
Loss before tax		(66,073)	(148,828)
Income tax expense	12	<u>-</u>	<u>-</u>
Loss for the year		(66,073)	(148,828)
Other comprehensive income / (loss)		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(66,073)</u>	<u>(148,828)</u>

The notes on pages 8 to 17 form an integral part of these special purpose financial statements.

FORBES LUX FZE**Statement of Changes in Equity
for the year ended 31 March 2025**

	<i>Share capital USD</i>	<i>Accumulated losses USD</i>	<i>Total USD</i>
As at 31 March 2023	44,460,498	(45,212,876)	(752,378)
Loss for the year	_____ -	_____ (148,828)	_____ (148,828)
As at 31 March 2024	44,460,498	(45,361,704)	(901,206)
Loss for the year	_____ -	_____ (66,073)	_____ (66,073)
As at 31 March 2025	<u>44,460,498</u>	<u>(45,427,777)</u>	<u>(967,279)</u>

The notes on pages 8 to 17 form an integral part of these special purpose financial statements.

FORBES LUX FZE**Statement of Cash Flows**
for the year ended 31 March 2025

	<i>Notes</i>	2025 USD	2024 USD
<u>Cash flows from operating activities</u>			
Loss for the year before tax		(66,073)	(148,828)
Adjustments for:			
Provision for staff end of service gratuity		4,285	5,463
Provision for expected credit losses	7	-	26,900
Impairment of advance to parent shareholder company	5	4,084	8,986
Excess provision written back		(60,000)	(65,000)
Operating loss before working capital changes		(117,704)	(172,479)
(Increase) /decrease in trade and other receivables		62,761	96,835
Increase / (decrease) in trade and other payables		(11,887)	3,553
Net cash from / (used in) operating activities		<u>(66,830)</u>	<u>(72,091)</u>
<u>Cash flow from financing activity</u>			
Funds advanced to parent shareholder company		(4,084)	(8,986)
Net cash from/(used in) financing activity		<u>(4,084)</u>	<u>(8,986)</u>
Net increase / (decrease) in cash and cash equivalents		(70,914)	(81,077)
Cash and cash equivalents at the beginning of the year		<u>153,434</u>	<u>234,511</u>
Cash and cash equivalents at the end of the year	8	<u>82,520</u>	<u>153,434</u>

The notes on pages 8 to 17 form an integral part of these special purpose financial statements.

FORBES LUX FZE**Notes to the Special Purpose Financial Statements
for the year ended 31 March 2025****1. Legal status and activity**

FORBES LUX FZE (the “establishment”) is a free zone establishment incorporated in the Jebel Ali Free Zone, Dubai, United Arab Emirates pursuant to Law No. 2 of 1986 and implementing Rules and Regulations issued there under by the Jebel Ali Free Zone Authority with **Euro Forbes Limited**, as its parent shareholder company. The establishment’s registered address and place of business is Office No. FZJOA1617, JAFZA One, Jebel Ali Free Zone, P.O. Box 261698, Dubai, United Arab Emirates.

The parent shareholder company is Euro Forbes Limited, Dubai and the ultimate parent company is Eureka Forbes Limited, India.

The establishment is operating under trade license number 106894 with distribution of cookers and cook stoves, refrigerators, washing machines and household electrical appliances, water heaters, filters and purifications devices, electrical and electronics appliances and spare parts as its licensed activities.

On August 29, 2023, the management of the establishment ceased the operations and resolved to liquidate the establishment. Hence, these special purpose financial statements have been prepared on a liquidation basis.

2. Basis of preparation*Purpose*

These special purpose financial statements have been prepared for the limited purpose of facilitating the preparation of the consolidated financial statements of the ultimate parent shareholder company and not for any other purpose or statutory compliance.

Statement of compliance

In accordance with IAS 1 “Presentation of financial statements”, the establishment has changed the basis of preparing its special purpose financial statements from going concern to liquidation. This change of basis was adopted as the standard does not permit use of the going concern basis of accounting if management intends to liquidate the establishment either before or after period-end. As a result of discontinuation of operations of the establishment, the special purpose financial statements as at 31 March 2025 have been prepared using liquidation basis of accounting.

Basis of measurement

The special purpose financial statements have been prepared on realization basis.

Functional and presentation currency

The special purpose financial statements are presented in US Dollars (USD), being the functional and presentation currency of the establishment.

Use of estimates and judgments

The preparation of the special purpose financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, sales, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about the several factors and actual results may differ from reported amounts. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the special purpose financial statements are discussed in note 4.

FORBES LUX FZE**Notes to the Special Purpose Financial Statements
for the year ended 31 March 2025****Basis of preparation (cont'd)*****Application of new and revised International Financial Reporting Standards (IFRSs)***

The establishment has applied all applicable accounting standards and amendments which are effective for annual periods beginning on or after 1 April 2024. The establishment has not early adopted any other standard, interpretation or amendment that has been issued but are not yet effective.

3. Material accounting policy information

The accounting policies applied which are consistent with those of the previous year except for new standards and amendments effective on 1 April 2024, in dealing with items that are considered material in relation to the special purpose financial statements are as follows:

Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the establishment becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss on the basis of the establishment's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The establishment's financial assets comprise financial assets measured at amortized cost, comprising due from parent shareholder company, trade and other receivables and cash and cash equivalents.

Trade receivables

Trade receivables are stated at original invoice amount less provision for any uncollectible amounts or Expected Credit Losses (ECLs). The establishment applies a simplified approach in calculating ECLs. Therefore, the establishment doesn't track changes in credit risk, but instead recognizes a loss allowance based on Lifetime ECLs at each reporting date. Loss allowance is based on the establishment's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other current financial assets

Other current financial assets represent refundable deposits.

Cash and cash equivalents

Cash and cash equivalents comprise bank balance in current accounts that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities

The establishment's financial liabilities comprise trade payables and accruals.

Trade payables and accruals

Liabilities are recognized for amounts to be paid in future for goods or services received, whether invoiced by the supplier or not.

FORBES LUX FZE**Notes to the Special Purpose Financial Statements
for the year ended 31 March 2025****Material accounting policy information (cont'd)****Income tax**

The tax expense or credit for the year comprises current and deferred tax.

Current Tax

The establishment recognizes income tax expense based on taxable profit for the period. Taxable profit differs from accounting profit due to temporary differences between the accounting treatment of income and expenses and their respective tax bases. The establishment is subject to Corporate Tax in accordance with the provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the “U.A.E. Corporate Tax Law”) and related regulations.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the special purpose financial statements and their tax bases. Deferred tax assets and liabilities are measured using the tax rates expected to apply when the temporary differences reverse. The establishment recognizes deferred tax assets only to the extent that it is probable that taxable profits will be available against which these temporary differences can be utilized, in line with the IFRSs and relevant provisions of the U.A.E. Corporate Tax Law.

Top-up Tax

On 2 October 2023, the U.A.E. Ministry of Finance (“MOF”) issued Federal Decree Law No 60 of 2023 amending certain provisions of the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”), to implement a new Top-up Tax on Multinational Enterprises (“MNE”) in the U.A.E.

Generally, Multinational Enterprises will be subject to a Top-up Tax at an effective rate of 15%. All cases, provisions, conditions, rules, controls, and procedures for imposing the Top-up Tax and the exemptions therefrom are yet to be determined by a Cabinet Decision.

MOF launched a public consultation on the 14th of March 2024 in relation to the Global Anti-Base Erosion Model (“GloBe rules”) aiming at assessing interactions with the U.A.E.’s corporate tax system, ways to minimize compliance costs, while exploring the policy options for potential implementation of the Income Inclusion Rule (“IIR”), Undertaxed Profits Rule (“UTPR”) and a Domestic Minimum Top-up Tax (“DMTT”).

The group has also a limited exposure to GloBe regulations in several foreign jurisdictions (i.e Netherlands and Spain). As of today, and even though the regulation is considered to be substantively enacted in those jurisdictions, several aspects of the rules and exemptions applicable under those regimes are still to be determined.

The group is monitoring any upcoming regulation in relation to the GloBe rules in the different jurisdictions where it is present and is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities.

FORBES LUX FZE**Notes to the Special Purpose Financial Statements
for the year ended 31 March 2025****Material accounting policy information (cont'd)****Value Added Tax (VAT)**

Expenses and assets are recognized net of the amount of VAT except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the Federal Tax Authority (FTA), in which case, the VAT is recognized as part of the cost of acquisition of the assets or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the FTA is included as part of receivables or payables in the statement of financial position.

Staff end of service gratuity

Provision is made for the full amount of end of service gratuity in accordance with the establishment's policy, which is in accordance with U.A.E. Labour Law, for their period of service up to the end of the reporting period.

Foreign currency transactions

Transactions in currencies other than US Dollars are converted into US Dollars at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in currencies other than US Dollars are translated into US Dollars at the rate of exchange ruling at the date of statement of financial position. Resulting exchange gains/losses are taken to the statement of profit or loss and other comprehensive income.

4. Significant judgment employed in applying accounting policies

The significant judgment made in applying accounting policies that has the most significant effect on the amounts recognized in the special purpose financial statements is as under:

Net realizable values of assets and settlement amounts of liabilities

On August 29, 2023, the management of the establishment ceased the operations and resolved to liquidate the establishment. Accordingly, the carrying value of the establishment's assets as at date of statement of financial position are presented at estimated net realizable values and all recorded liabilities thereof are presented at estimated settlement amounts based on the estimation of the management.

The establishment's assets and liabilities in the special purpose financial statements may differ from the realized amounts of the assets and liabilities of the establishment through liquidation and accordingly, further adjustments may be required to be made to the special purpose financial statements.

The management of the ultimate parent shareholder company and the parent shareholder company has confirmed its intention to provide necessary financial support to enable the establishment to meet its liabilities as at 31 March 2025 and up to the completion of liquidation.

FORBES LUX FZE**Notes to the Special Purpose Financial Statements
for the year ended 31 March 2025****5. Due from parent shareholder company**

This represents unsecured and non interest bearing funds advanced to Euro Forbes Limited, the parent shareholder company, to meet with its working capital requirements.

Movements in this account were as follows:

	<i>2025</i> <i>USD</i>	<i>2024</i> <i>USD</i>
Funds advanced	4,084	8,986
Written off / Impaired during the year	<u>(4,084)</u>	<u>(8,986)</u>
Closing balance	<u><u>-</u></u>	<u><u>-</u></u>

	<i>Related parties USD</i>	<i>Overseas dealers USD</i>	<i>2025 USD</i>	<i>2024 USD</i>
6. Trade receivables				
Trade receivables ~	14,064	3,294,007	3,308,071	3,368,071
Provision for expected credit losses @	<u>(14,064)</u>	<u>(3,294,007)</u>	<u>(3,308,071)</u>	<u>(3,368,071)</u>
	<u><u>=</u></u>	<u><u>=</u></u>	<u><u>=</u></u>	<u><u>=</u></u>

~Includes USD 14,064 (previous year USD 14,064) due from ultimate parent shareholder company on trade account dealings.

The trade receivables are long overdue and full provision is carried against these receivables.

@ Movement in the provision for expected credit losses was as under:

	<i>2025</i> <i>USD</i>	<i>2024</i> <i>USD</i>
Opening balance	3,368,071	3,433,071
Excess provision written back	<u>(60,000)</u>	<u>(65,000)</u>
Closing balance	<u><u>3,308,071</u></u>	<u><u>3,368,071</u></u>

	<i>2025</i> <i>USD</i>	<i>2024</i> <i>USD</i>
7. Advances and other receivables		
Advance to dealers	1,695,168	1,695,168
Provision for expected credit losses #	<u>(1,695,168)</u>	<u>(1,695,168)</u>
	<u>-</u>	<u>-</u>
Advance to suppliers	46,245	46,694
Provision for expected credit losses #	<u>(45,040)</u>	<u>(45,040)</u>
	<u>1,205</u>	<u>1,654</u>
Advance to director	50,000	50,000
VAT receivable	1,228	3,540
Deposits	<u>5,912</u>	<u>5,912</u>
	<u><u>58,345</u></u>	<u><u>61,106</u></u>

FORBES LUX FZE**Notes to the Special Purpose Financial Statements
for the year ended 31 March 2025****Advances and other receivables (cont'd)**

Movement in the provision for expected credit losses was as under:

	<i>2025</i>	<i>2024</i>
	<i>USD</i>	<i>USD</i>
Opening balance	1,740,208	1,713,308
Provision for the year	-	26,900
Closing balance	<u>1,740,208</u>	<u>1,740,208</u>

8. Cash and cash equivalents

This represents balance in current accounts with a bank.

	<i>2025</i>	<i>2024</i>
	<i>USD</i>	<i>USD</i>

9. Share capital**Authorized:**

1,632 shares of AED 100,000 each
(USD 1 converted @ AED 3.6707)

44,460,498 44,460,498

Issued and paid up:

Euro Forbes Limited, U.A.E.

44,460,498 44,460,498

10. Trade payables

This includes trade payable of USD 1,023,571 (previous year USD 1,023,571) due to ultimate parent shareholder company on trade account.

The average credit period on purchase of goods is 0 – 120 days, except for payables to related parties where extended credit period is availed. The establishment has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

	<i>2025</i>	<i>2024</i>
	<i>USD</i>	<i>USD</i>
11. Administrative and selling expenses		
Director's remuneration and benefits	62,741	66,293
Office rent	-	9,459
Other administrative expenses	13,941	27,297
Exchange loss	97	193
Selling and distribution expenses	45,210	74,700
	<u>121,989</u>	<u>177,942</u>

12. Income tax expense

The taxable income of the establishment that are in scope for U.A.E. CT purposes will be subject to the rate of 9% Corporate Tax for mainland entities.

FORBES LUX FZE**Notes to the Special Purpose Financial Statements
for the year ended 31 March 2025****Income tax expense (cont'd)**

The tax benefit for the year ended 31 March 2025 is USD Nil (previous year USD Nil), representing an Effective Tax Rate ("ETR") of 0% (previous year Nil). The component of income tax expense in the statement of profit or loss and other comprehensive income:

	2025 USD
Income tax expense	-
Deferred tax#	_____ -
Income tax expense/(benefit) reported in the statement of profit or loss and other comprehensive income#	===== -

The reconciliation of current income tax expense and accounting loss is as follows:

	2025 USD
Accounting loss for the year before tax	(66,073)
Income tax at U.A.E. statutory rate of 9%#	-
Income tax expense/(benefit) #	===== -
Effective Tax Rate	_____ 0%

#Since the management of the parent shareholder company has resolved to liquidate the establishment, and has decided not to carry forward the losses, no deferred tax asset has been recorded.

For the purpose of determining income tax expense for the year, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices. The establishment has not identified any material risks or uncertainties in the structure from a Corporate Tax perspective and will continuously monitor further developments that could impact the tax profile of the establishment.

13. Related party transactions and balances

The establishment in the normal course of business enters into transactions with other parties that fall within the definition of related party as contained in the International Accounting Standard – 24: *Related Party Disclosures*. Transactions between the establishment and its related parties are made on terms equivalent to those that prevail in arm's length transactions.

Related parties comprise the ultimate parent shareholder company, parent shareholder company and key management personnel as under:

Ultimate parent shareholder company:
Eureka Forbes Limited, India

FORBES LUX FZE**Notes to the Special Purpose Financial Statements
for the year ended 31 March 2025****Related party transactions and balances (cont'd)****Parent shareholder company:**

Euro Forbes Limited, UAE

Key management personnel:

Rajagopalan Sambamoorthy - Director

Sunil Dhondiram Uphale – Director / Manager

As at the date of statement of financial position, balance at year end and significant transactions during the year with related parties were as follows:

	<i>2025</i> <i>USD</i> <i>Dr./ (Cr.)</i>	<i>2024</i> <i>USD</i> <i>Dr./ (Cr.)</i>
<u>Balances</u>		
Trade receivables:		
Eureka Forbes Limited	14,064	14,064
Advance to a director:		
Sunil Dhondiram Uphale	50,000	50,000
Trade payable:		
Eureka Forbes Limited	(1,023,571)	(1,023,571)
Staff end of service gratuity:		
Sunil Dhondiram Uphale	(59,884)	(55,599)
<u>Transactions</u>		
Director's remuneration and benefits:		
Sunil Dhondiram Uphale	62,741	66,293
Impairment of advance to parent shareholder company		
Euro Forbes Limited	4,084	8,986

Transactions with related parties are carried out at the terms agreed between the parties. Transactions with related parties also include unsecured and interest / non-interest bearing funds provided or received to meet with working capital requirements.

14. Financial instruments: Credit, liquidity and market risk exposures**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially expose the establishment to concentrations of credit risk, comprise principally bank balance, trade receivables and amount due from related parties and dealers. The establishment's bank balance in current accounts is placed with a high credit quality financial institution.

FORBES LUX FZE**Notes to the Special Purpose Financial Statements
for the year ended 31 March 2025****Financial instruments: Credit, liquidity and market risk exposures (cont'd)****Credit risk (cont'd)**

The establishment seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. There are no significant concentrations of credit risk from trade receivables outside the industry in which the establishment operates.

Liquidity risk

Liquidity risk is the risk that the establishment will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored by the management and parent shareholder establishment, who ensure that sufficient funds are made available to the establishment to meet short, medium and long-term funding and liquidity requirements.

Market risk

Market risk is the risk that changes in market prices, such as interest rate risk and currency risk, will affect the establishment's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In the absence of interest-bearing borrowings, there is no interest rate risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Except for the following, there are no significant currency risks as substantially all financial assets and financial liabilities are denominated in US Dollars or U.A.E Dirhams, which is fixed to US Dollar rate.

Foreign currency financial asset:**Bank balance**

Euro

	2025	2024
	Equivalent	Equivalent
	USD	USD

548

566

15. Capital risk management

The capital structure of the establishment comprises net debt (trade payables and accruals offset by bank balance) and equity comprising issued and paid up capital and accumulated losses.

16. Financial instruments: Fair values

The fair values of the establishment's financial assets, comprising due from parent shareholder company, trade receivables, advance to a director, refundable deposits and bank balance and financial liabilities, comprising trade payables and accruals are approximate to their carrying values.

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Notes to the Special Purpose Financial Statements
for the year ended 31 March 2025

17. Contingent liabilities and capital commitments

There are no contingent liabilities and capital commitments outstanding as at the date of statement of financial position.

18. Comparative figures

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year. Such reclassification do not affect the previously reported loss, net assets or equity of the establishment.

19. Approval of the financial statements

To the best of the knowledge of the management and those charged with governance, the special purpose financial statements fairly present, in all material respects, the financial position, financial performance and cash flows of the establishment as of, and for the year ended 31 March 2025. The special purpose financial statements were approved by the Board of Directors on 6 May 2025 and authorized Mr. Sunil Dhondiram Uphale to sign on behalf of the board.