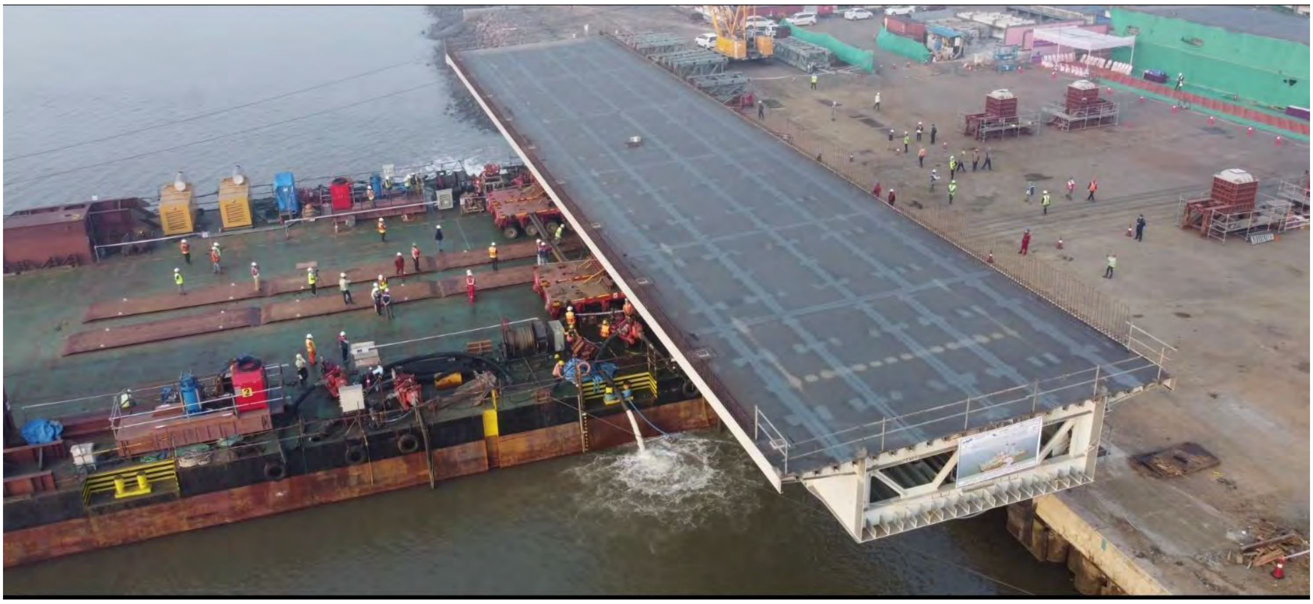
ANNUAL REPORT & ACCOUNTS

for the year ended 2024

Contents

Chairman's Statement



Dear Shareholders,

I am pleased to present the Annual Report of Mercantile Ports & Logistics Limited (MPL) for the year ended 31 December 2024.

The year under review was one of operational progress, strategic positioning, and foundations being laid for future growth. We report revenues of £4.35 million, which, as previously reported, reflects the fact that a number of issues were encountered. In particular, the government elections in Maharashtra reduced levels of activity on some of the infrastructure projects in the region, whilst major contractors waited for the outcome of the elections. In addition, there was some unexpected procedural friction in obtaining regulatory clearances for container handling. Perhaps the biggest impact, however, was the previously announced renegotiation of the Company's loan facility with its consortium of lenders, which impeded the Company's ability to secure longer term contracts with customers. These factors, though temporary, affected throughput volumes during the period.

Despite these challenges, the fundamental strength of our business model remains intact, and our long-term prospects continue to remain buoyant.

-

A central focus of the year has been the resolution of our outstanding debt obligations. Whilst I am conscious that we have provided similar words of optimism previously, I can report that we are now at an advanced stage of negotiations with our lenders to refinance our debt and we remain grateful to our major shareholder, Hunch Ventures, for their continued support and guidance in this endeavor. We believe that a successful conclusion to these discussions will provide the financial stability necessary to accelerate our growth strategy and allow us to fully capitalize on our operational readiness, and shift our focus firmly toward growth and value creation.

Looking ahead, I am confident that 2025 we will be diversifying our revenue streams and aligning the business with evolving market demand. This expansion of our service offering is expected to materially improve the utilisation of our port and enhance operating efficiency. The levels of enquiry to use the Facility remain at record levels and the Company is confident that, following completion of the banking solution, the Company will return to growth.

On behalf of the Board, I thank our shareholders for their continued trust, our employees for their commitment, and our partners and stakeholders for their continued support. We look forward to delivering on our potential in the year ahead.

Yours sincerely,

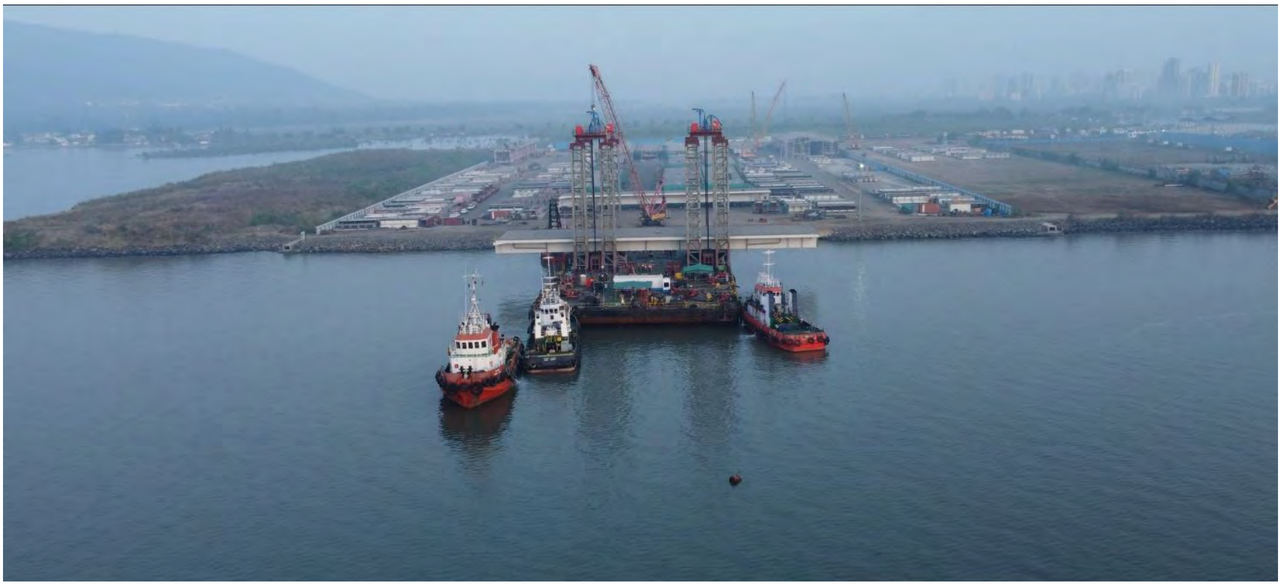
Signed by:

0744D3C3E8F6400...

Jeremy Warner Allen
Chairman
Mercantile Ports & Logistics Limited

6/27/2025

Operational Review



The last Girder of MTHL (now named Atal Setu by the Government of India)

Indian Economy

India remained among the world's fastest-growing major economies in 2024, with GDP expanding 8.2% in FY 2023–24. Although growth moderated slightly in FY 2024–25 due to global uncertainty and implementation delays in domestic infrastructure, full-year GDP is expected to rise by 6.5%, sustaining India's role as a global growth leader.

This continued economic momentum, combined with a strong policy focus on logistics, manufacturing, and trade, creates a supportive environment for port operators and logistics infrastructure companies like Mercantile Ports & Logistics Limited.

Macro Trends Driving Sector Growth

- **Infrastructure Focus**:

  Flagship government initiatives such as PM Gati Shakti, Sagarmala, and the National Logistics Policy are enabling integrated, multi-modal infrastructure growth and accelerating cargo movement across India. **(Source - PM Gati Shakti - National Master Plan for Multi-modal Connectivity| National Portal of India)**

- **Record Exports**:

  India's total exports (merchandise + services) reached a record $824.9 billion in FY 2024–25, driving demand for high-capacity, efficient port infrastructure. **(Source - Press Release: Press Information Bureau)**

- **Manufacturing Expansion**:

  With 9.9% growth in the manufacturing sector **(Source - The Print)**, demand for bulk cargo, containerized freight, and liquid logistics is on the rise—key growth areas for MPL.

- **Port-Led Development**:

  India's emphasis on coastal connectivity and hinterland access is creating long-term opportunities for modern private ports, particularly those aligned with emerging trade routes and industrial clusters.

- **Inflation Under Control**:

  The CPI dropped to 3.34% in March 2025 **(Source - CNBC)**, improving cost predictability for infrastructure projects and contributing to an overall stable investment environment.

- **Banking Sector Resilience**:

  A healthy financial system, with strong capitalization and low asset impairments, supports ongoing infrastructure financing and private investment.

Visual Summary: India's Economic Indicators (2024–25)

Indicator	Value/Trend	Relevance to MPL
GDP Growth (FY 2023–24)	8.2%	Strong macro backdrop for logistics
Estimated GDP (FY 2024–25)	6.4%	Sustained trade and cargo demand
Total Exports	$824.9 billion	Expanding port throughput opportunities
Manufacturing Growth	9.9%	Rise in industrial cargo volumes
CPI Inflation (Mar 2025)	3.34%	Stable cost environment
Tractor Sales	Double-digit growth	Rural consumption and agri-supply flows
Policy Support	Sagarmala, PM Gati Shakti	Favorable for private port operators

Outlook

With a projected GDP growth of 6.5% in FY 2025–26 and continued public-private focus on logistics and infrastructure. **(Source - Press Release: Press Information Bureau),** the Board believes that India offers a compelling environment for long-term port development. As new trade corridors and industrial ecosystems take shape, MPL is well-positioned to serve as a critical logistics enabler on the west coast of India, with strategic customers, diverse cargo categories, and scalable capacity.

Operations Update

The year 2024 marked a significant milestone in the operational journey of Mercantile Ports & Logistics Limited (MPL). It was a year defined by operational maturity, strategic progress, and increasing confidence from our growing customer base. Volume handled during the year was seen at 1.50 million MT in 2024 versus 1.33 million MT in 2023. Karanja Port continued to maintain its status as a fully operational 24x7 facility, a standard it has consistently upheld over the past three years. With seamless execution of vessel navigation, yard operations, and transportation logistics across all shifts, the port has steadily built a reputation for operational reliability and efficiency. This sustained performance has contributed to positive customer feedback, particularly highlighting the smooth handling of cargo and the absence of any demurrage, underscoring the effectiveness of our round-the-clock capabilities.

Another major development in 2024 was that Karanja Port received its International Ship and Port Facility Security (ISPS) Certification. This global standard affirms the port's compliance with international maritime safety protocols and enables it to handle a wider variety of cargo and vessel types, particularly from international operators. The certification further enhances the port's profile as a secure and professionally managed maritime gateway.

The port received proposals for handling liquid cargo, with multiple customers expressing interest in developing tank farms and long-term infrastructure at Karanja Port. These facilities would support both ambient and temperature-controlled storage for a variety of liquid commodities. These proposals are currently being evaluated, in line with our goal to expand into diversified cargo verticals.

In anticipation of increased activity, MPL has taken steps to enhance its business development and operations teams. We continue to receive interest from a wide spectrum of industries, ranging from break-bulk cargo to liquid commodities, and even Engineering, Procurement & Construction (EPC) contractors, many of whom are seeking short- to medium-term land leases at the port for staging logistics related to their infrastructure projects.

These options are being carefully assessed by management to identify the highest long-term value opportunities, while ensuring alignment with our strategic goals and infrastructure roadmap.

Operationally, the Company is now preparing to increase container handling operations in the second half of 2025. As mentioned in previous reports, Karanja Port is increasingly recognised as a viable alternative for container evacuation from Jawaharlal Nehru Port Authority (JNPA)—India's busiest container terminal cluster.

JNPA currently handles approximately 6.0 to 7.0 million TEUs annually, and with the addition of the fourth terminal, volumes are projected to grow to 9.0–10.0 million TEUs in the next 2-3 years. This rising throughput, combined with urban congestion in the Navi Mumbai vicinity, creates a strong opportunity for Karanja Port to serve as a supplementary logistics node for container evacuation, staging, and onward movement.

A key enabler in this transition has been MPL's successful initiative to bring Karanja Port under the same customs jurisdiction as JNPA (Zone II / JNCH). This shift significantly streamlines customs processes and regulatory alignment between both ports, creating a seamless operating environment for containerized trade.

We are confident in the strength of our Operations team, which has consistently demonstrated capability and resilience across multiple cargo types. As we expand into new verticals and scale existing ones, the team remains focused on making Karanja Port the preferred logistics partner for customers across sectors.

Revenue:

Major Revenue generated during the year:

Coal Handled during the period were to the tune of 1.5 million MT generating Revenue of £3.58 million (₹38.38 crores);

The Offshore Supply Vessels (OSVs) handled during the year were 66 vessels for Nationwide Shipping Services generating revenue £0.31 Million (₹3.34 crores);

Land Hire revenue generated were to the tune of £0.35 Million (₹3.81 crores) which were sublet to Esquire Shipping & Trading as well as Freight Wings during the period.

Going Concern

In determining the appropriate basis of preparation of the financial statements for the period ended 31 December 2024, the Directors are required to consider whether the Group can continue in operational existence for a period of at least 12 months from the approval of these financial statements. The Board has concluded that the Group is a going concern and the Annual Report and Accounts have been prepared on that basis, having undertaken a rigorous assessment of the financial forecasts with specific consideration to the trading position of the Group.

As part of this assessment, the Board considered the Group's current financial position, ongoing debt obligations, and funding arrangements. However, the finalization of the refinancing remains subject to formal approval from the remaining consortium banks. Until all such approvals are obtained, there is no binding agreement in place, creating a material uncertainty regarding the Group's future liquidity position and its ability to meet its financial obligations as they fall due.

In addition to funding risk, the Group's operations continue to be impacted by global geopolitical events. The escalation of conflicts in the Middle East and the war between Ukraine and Russia have disrupted international shipping routes and increased freight costs due to longer re-routing of vessels. These factors have affected global trade and added further operational pressures on the Group's port facility in India.

Despite these challenges, the Board has prepared detailed financial models and cash flow forecasts for the period from 1 January 2025 to 31 December 2026, which align with the Group's budget cycle and capture the seasonality of port operations. These forecasts are supported by expectations of an operational ramp-up at Karanja Port, underpinned by several commercial developments.

These include:

- The increase in number of vessels at the port by Nationwide Shipping Services for operations at the Karanja Port;
- Recommencement of operations by a major cement client;
- Ongoing business with existing coal clients;

The Board also considered the Group's available financial support. As at 31 December 2024, the Group held a cash balance of £0.91 million and access to £3.78 million subscription money from the 2023 fundraising. Furthermore, to mitigate any potential funding shortfall, an unsecured credit facility of £15 million has been made available by KJS Concrete Private Limited, a Hunch Ventures group entity, and remains valid until 31 December 2027.

The Directors have also performed sensitivity analysis on key revenue assumptions, including scenarios where revenue is reduced by 20% and 30%, and have considered the adequacy of available mitigating actions. These include managing supplier relationships, cost reductions in non-essential services, and extending vendor credit terms. Based on these scenarios, the Group is expected to have sufficient financial resources in a severe but plausible downside case, supported by the credit facility available.

The Directors have also concluded that climate change is not expected to have a significant impact on the Group's ability to continue as a going concern over the assessment period. The Group continues to closely monitor and manage its liquidity risk, including the timing of anticipated cash inflows and capital expenditure requirements.

Nevertheless, given that the full approval of the OTS proposal remains outstanding and subject to the consent of all member banks in the consortium, a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding this, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis, based on the Group's forecasts, expected operational improvements, and committed financial support.

Strategic Report

The purpose of the strategic report is to inform members of the Company and help them to assess how the Directors have performed their duty to promote the success of the Company.

Executive Summary

Mercantile Ports & Logistics Ltd (MPL) is a UK-listed infrastructure developer focused on creating, owning, and operating port and logistics assets in India. The company's flagship facility, Karanja Port, located on India's western coast in Maharashtra, is designed to handle a diverse range of cargo including containers, bulk, break-bulk, liquid, and roll-on/roll-off (Ro-Ro) shipments.

Strategically situated near Mumbai and Navi Mumbai, Karanja Port benefits from excellent connectivity to major industrial and consumption hubs, national highways, and waterways. This report outlines MPL's vision to establish Karanja Port as a premier regional maritime and logistics hub, aligned with national infrastructure development priorities and global shipping dynamics.

Vision

To serve as a critical link in the global logistics chain by developing state-of-the-art maritime and logistics infrastructure that supports the evolving trade demands of India and other emerging economies. We aim to drive sustainable value creation through innovation, excellence, and stakeholder trust.

Mission

To conduct business with integrity and innovation at the core, delivering exceptional service to customers and generating long-term value for all stakeholders.

Principal Values

Being known as a trusted brand that can be relied on by our customers and shareholders.

Help in the growth of India by providing a much-needed infrastructure & logistics services.

Drive productivity, efficiency and safety improvements in the infrastructure sector through continuous innovation.

1. Overview

Karanja Terminal & Logistics Pvt. Ltd. (KTLPL) is a leading port-based logistics and infrastructure company operating in the strategically located Karanja Creek, off the eastern seaboard of Mumbai, Maharashtra. Our focus is to bridge the critical logistics gap in the region by providing efficient, multimodal cargo handling and integrated logistics solutions.

The port has been operating as a 24x7 facility for the past three years, ensuring seamless cargo movement with night navigation capabilities in place. This round-the-clock operation enhances vessel turnaround time and strengthens the port's position as a reliable partner for shipping and logistics stakeholders.

Importantly, during the year, Karanja Port received its International Ship and Port Facility Security (ISPS) Certification, affirming compliance with international maritime safety standards. This certification reinforces our commitment to operational security and enables the port to handle a broader range of vessels, including those engaged in international trade.

<u>Karanja Port, Location</u>:

(1) Location and proximity to cargo clusters: KTPL is located close to Maharashtra's key demand clusters and has the potential to attract cargo across commodities. It is also in close proximity to two major Indian ports (JNPT and Mumbai Port), which together attract approximately 170 million MT of Cargo traffic per annum.

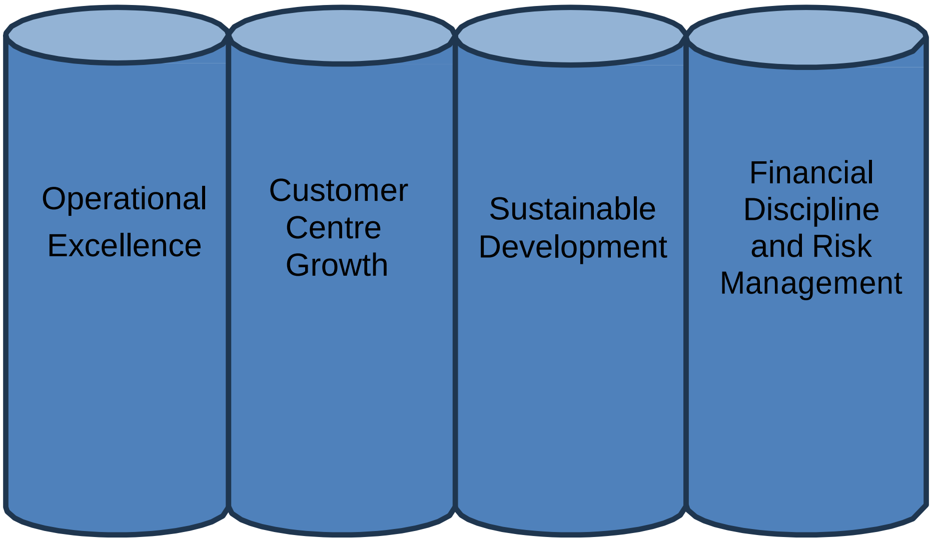
(2) Customs Clearance: Customs clearance is managed by Jawaharlal Nehru Customs House (JNCH), ensuring seamless regulatory processes shared with India's largest container port.

(3) Road Connectivity – NH 4B (1.2 km) and SH 54 (3.5 km): Proximity to key state and national highway network and high-class last mile connectivity allows for seamless and hassle-free cargo movement to and from the port.

(4) National Waterway – Karanja/ Dharamtar creek is declared as National Waterway 10 by Inland Waterway Authority of India (IWAI), which promotes movement of domestic goods through coastal waterways, thereby improving efficiency of coastal movement and reducing overall logistics transaction time and cost.

2. Strategic Priorities

Our strategic framework is built around four core pillars:



a. Operational Excellence

1. Improved berth utilization and reduced vessel turnaround time through technology upgrades.
2. Commissioning of new equipment and expansion of warehousing capacity.
3. Enhanced multimodal linkages to support last-mile logistics integration.

b. Customer-Centric Growth

1. On boarded new clients across key sectors including bulk commodities, and project logistics.
2. Achieved zero demurrage consecutively for two years in a row.
3. Developed value-added services such as customs clearance, same customs jurisdiction as JNCH (Jawaharlal Nehru Customs House) under Zone 2, and bonded warehousing.

c. Sustainable Development

1. Initiated steps toward carbon footprint reduction, including electrification of terminal equipment and water recycling systems.
2. Adherence to ESG standards through regular audits and stakeholder disclosures.
3. Community engagement programs focused on local employment, health, and education.

d. Financial Discipline and Risk Management

1. Optimized capital expenditure through prudent project management and vendor negotiations.
2. Strengthened balance sheet via debt restructuring and improved cash flow management.
3. Embedded enterprise risk frameworks to monitor geopolitical, environmental, and operational risks.

3. Performance Highlights

Operational:

Cargo Throughput: Handled a record volume of 1.54 million metric tons, a 16% increase YoY.

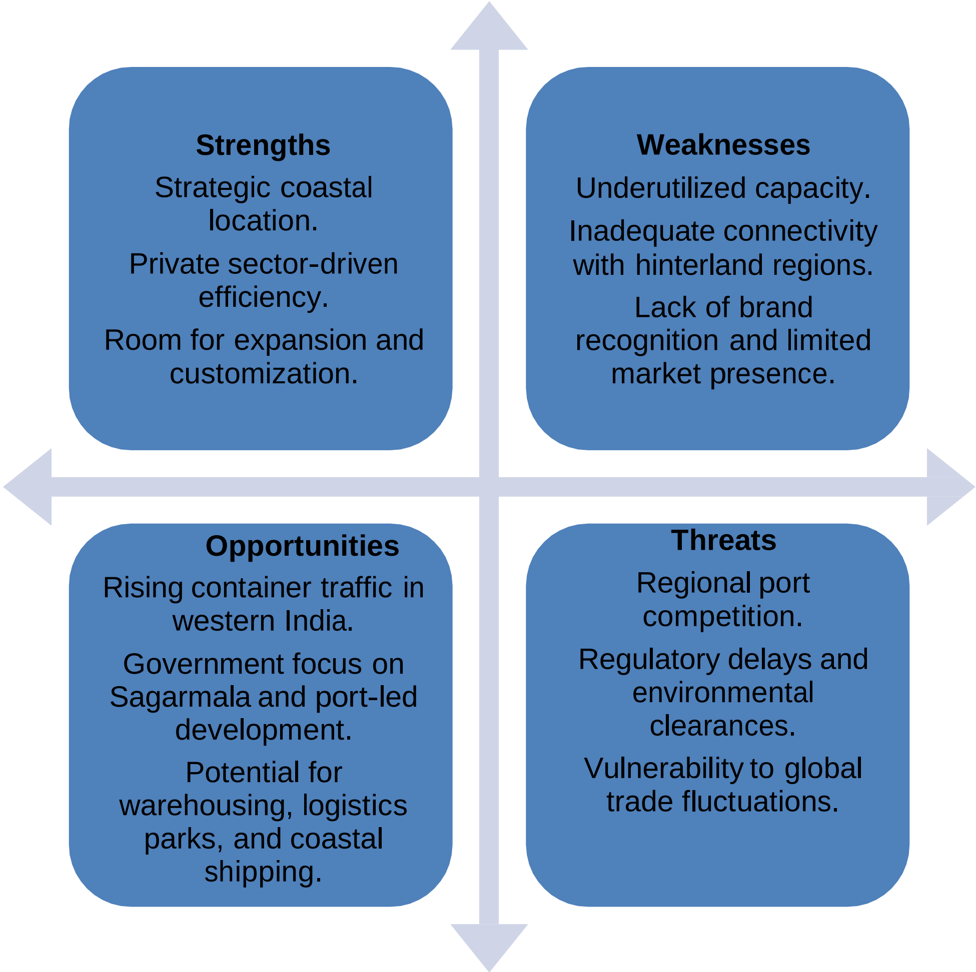
Financial:

- The Group recorded revenues of £ 4.35 million during the year
- Borrowings £ 50.50 million
- Loss for the year £ 18.67 million (previous year £ 21.27 million)
- Debt Equity Ratio: 0.92: 1.00
- Cash position: £ 0.91 million

Strategic:

The company is in discussions to lease land for fabrication works in the infrastructure sector.

4. SWOT Analysis



5. Market & Industry Outlook

India's logistics sector is poised for exponential growth, fueled by policy initiatives like PM Gati Shakti, Sagarmala, and National Logistics Policy. KTLPL is well-positioned to capitalize on this transformation with its port-centric model and integrated service offering.
Key trends we aim to leverage include:

1. Rising demand for coastal shipping and inland waterways.
2. Need for an evacuation alternative for Bulk Cargo and Container Cargo flowing into the region.
3. Growing emphasis on port with adequate land for storage and other logistics facilities.

Key Focus Areas in the medium-term:

1. Expanding on our existing client relationships
2. Target New Clients
3. Steel, Cement, And Energy Companies for Project Cargo.
4. Partnering with Shipping Lines and Freight Forwarders for Container Traffic.
5. Pursue the Government and Military for considering Karanja Port for Strategic Maritime use.
6. Marketing & Branding as "Gateway to Navi Mumbai Logistics Corridor."
7. Participate in National Logistics Expos and International Trade Summits.
8. Build Strategic Partnerships with Shipping Companies and Logistics Providers.

6. Strategic Objectives (2025–2030)

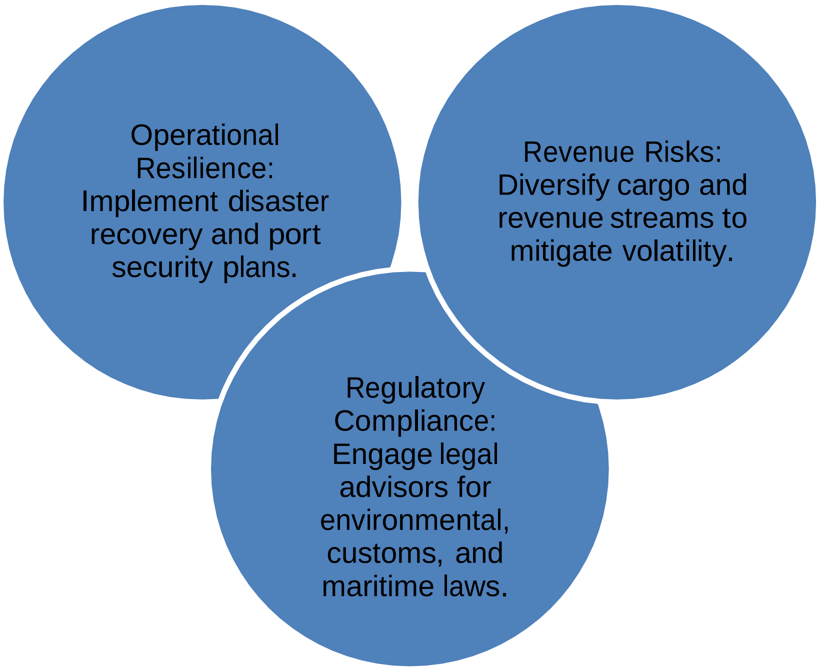
1. Infrastructure Expansion
2. Extend berth capacity to achieve higher cargo volumes.
3. Upgrade cargo handling equipment and storage facilities.
4. Invest in Tank Farms expand footprint in Liquid Cargo
5. Invest in Closed warehousing and temperature-controlled warehousing
6. Develop last-mile logistics solutions.
7. Launch container handling and Ro-Ro operations.
8. Sustainability and Compliance – Integrate green port initiatives (solar energy, waste management).

7. Principal Risk and Uncertainties:

The Directors believe that the management of the business and the implementation of the Group's plans are potentially exposed to a variety of risks. It is the Board's job to ensure that MPL is managed for the long-term benefit of all shareholders, with effective and efficient decision- making. Corporate governance is an important part of that job, reducing risk and adding value to our business. Good governance and risk management are core to our business and to the achievement of our objectives.

<u>Risk Management Framework:</u>

Currently, the principal risks facing the Group emanates from risk specific to the Karanja development.



Risk factors and their mitigation measures are as follows:

Regulatory Risk:

While the Group has received all necessary approvals for the development phase of the project, future risk of change in policies impacting operational aspects such as tariff policies, Cabot age laws etc., continue to remain. However, the Group's strong management team and local advisers previous experience and reputation continues to be helpful in navigating any such hurdles along the way. Trade restrictions and regulatory policies stemming from geo-political events that can curb seamless functioning. We have focused on building strong quality control mechanisms to govern our operations and our client markets. Our compliant rich operations will ensure robust balance-sheet and operational efficiency.

Operations Risk:

The Company is engaged in providing port services and integrated logistics solutions for EXIM and Inland Cargo. The Company is prone to inherent business risks. The Audit Committee monitors risk management activities of each business vertical and key support functions. Fraud Risk Assessment is also part of overall risk assessment. The purpose of risk management is to achieve sustainable business growth, protect the Company's assets, safeguard shareholders' investments, ensure compliance with applicable laws and regulations and avoid major surprises of risks. The Policy is intended to ensure that an effective risk management framework is established and implemented within the Company.

Funding Risk:

Funding risks relates to the ability of the Group to obtain appropriate funding to continue to meet its requirements until revenue activities can sustain the business. However, cash flows are being monitored closely by the Board.

The Indian subsidiary's proposal which was submitted to the Term Lenders in February 2023 could not be concluded.

However, as at the balance sheet date, the total principal instalment for the quarters as well as the interest for the period March 2023 to December 2024 remains unpaid.

MPL has additional line of unsecured credit from KJS Concrete Pvt. Ltd. (Hunch Ventures group company) amounting to £15 million (INR 159 crore) to mitigate funding risk and keep the business going.

Foreign Exchange Risk:

The exchange difference arising due to foreign currency exchange rate variances on translating a foreign operation into the presentational currency results in a translation risk. The exposure to FX risk is being closely monitored by the Board on a regular basis only for information to the stakeholders.

Investors are at risk as investments are made in GBP and the asset is in INR, therefore the fluctuation in currency can impact the carrying value of the asset when retranslated.

Marketing Risk:

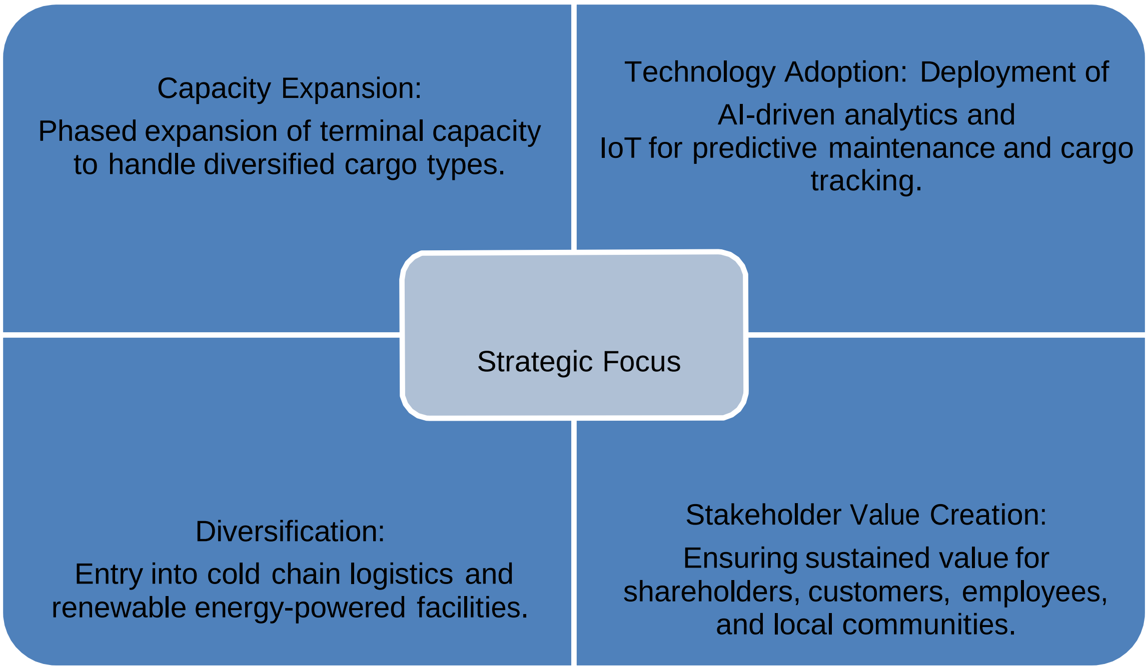
Marketing risk refers to the risk that the Group may not be able to generate sufficient cargo for the Port. To mitigate this risk, the Group has a robust business development team headed by Capt. Ashok Shrivastava as Head of Business Development and Sales & Marketing respectively.

Capt. Shrivastava, a Master Mariner by profession has enviable experience in the shipping industry with a specialty in coastal cargo movement. The Group benefits immensely from his experience and relationships in the sector.

Challenging macro-economic environment: The macro-economic environment with unstable demand growth, rising commodity prices and market volatility gives rise to business and credit risks. As other global competitors grapple with severe geo-political fluctuations, we are in a better position to further business growth given the Indian economy's strength and pace of development.

8. Future Strategy

Our medium- to long-term strategy focuses on:



9. Conclusion

As we look ahead, Mercantile Ports & Logistics Ltd. is committed to driving transformational growth rooted in innovation, resilience, and responsible business practices. We thank our stakeholders for their continued trust and support as we progress toward our vision of becoming a premier logistics hub on India's western coast.

Karanja Port has the potential to become a leading secondary port in Maharashtra, relieving congestion from Mumbai's main ports and supporting regional trade. A proactive strategy combining infrastructure growth, policy alignment, and technological advancement will ensure long-term viability and economic impact.

MPL is strategically positioned to leverage India's growing trade demands through its world-class port and logistics infrastructure at Karanja Creek. With ongoing operational developments, strategic partnerships, and financial restructuring, the company aims to enhance shareholder value and contribute significantly to India's logistics sector.

On behalf of the Board,

DocuSigned by:
Jay Mehta
E17778D07A8D40A...

6/27/2025

Jay Mehta

Managing Director
Mercantile Ports & Logistics Limited

Date: 27 June, 2025

Directors' Report

The Directors ("Directors") of Mercantile Port & Logistics Limited present their reports and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

The Company was incorporated and registered under The Companies (Guernsey) Law, 2008 with registered number 52321 on 24 August 2010. On 7 October 2010 its ordinary shares of no-par value were listed on the London Stock Exchange's Alternative Investment Market ("AIM"). The Company's subsidiaries are Karanja Terminal & Logistics (Cyprus) Ltd incorporated in August 2010 in Cyprus and Karanja Terminal & Logistics Private Limited, incorporated in May 2010 in India.

Principal Activity

The Group's principal objective is to develop port and logistics facilities in India and its sphere of influence. The Group's first project is being developed at Karanja in close proximity to the city of Mumbai and Jawaharlal Nehru Port Authority ("JNPA"), which is India's largest and busiest container handling port.

The Directors are responsible for preparing the Annual Report and Financial Statements for each financial year which give a true and fair view, in accordance with applicable Guernsey law and International Financial Reporting Standards as issued by the European Union (EU), of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company transactions, disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies (Guernsey) Law, 2008.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for the maintenance and integrity of the website on which these financial statements are published. The work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the Legislation in Guernsey governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to the Auditor

The Directors who held office at the date of approval of this Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Events Subsequent to year end

a. New projects / contracts:

- The Indian subsidiary has been successful in performing trial run for Afcons Infrastructure Limited and advanced negotiations are underway and will be shortly signing a contract for approximately 24 -30 months.

- Contract with Shiny Shipping and Logistics Pvt. Ltd. which is handling the Edible Oil cargo for Indian Oil Corporation Ltd for discharging and distribution locally. The initial contract is for 36 months and the contract value is £1.40 million (₹14.94 crores).

- Ambuja Cement Limited which had temporarily stopped its operations in 2024 has recommenced its discharging operations at Karanja Port effective April 2025.

b. Income Tax Refund for AY 2011-12 & AY 201-13

Out of the Total refund due of £2.70 million (₹28.84 crores), the Indian Subsidiary has received £1.0 million (₹10.19 crores) refund in the first quarter of 2025.

Dividend

No dividend has been declared by the Board.

Signed for and on behalf of the Board on 27 June, 2025

DocuSigned by:

Jay Mehta

E17778D07A8D40A...

6/27/2025

Jay Mehta

Managing Director

Mercantile Ports & Logistics Limited

27 June, 2025

Corporate Social Responsibility

Social, community and human rights issues:

The Group's Indian Subsidiary Karanja Terminal & Logistics Private Limited has been required to set up a CSR committee consisting of their Board members and one independent member. The concept of CSR is governed by clause 135 of the Companies Act, 2013, which was passed by both Houses of the Parliament, and had received the assent of the President of India on 29 August 2013. The CSR provisions are applicable to KTPL as its net worth exceeds £47 million (INR 500 Crores).

The Group proposes to engage in several CSR initiatives over the tenure of its lease agreement with the Maharashtra Maritime Board. This will commence once the operations become profitable.

The CSR Program will address the following areas for community development in the Chanje area:

- Education/Literacy Enhancement: 15% of the total budget
- Employment/Skill Development: 20% of the total budget
- Community Development: 10% of the total budget
- Health and Sanitation: 15% of the total budget
- Help to the Fishermen Community: 15% of the total budget
- Social Amenities/Infrastructure Development: 10% of the total budget
- Environment Protection: 15% of the total budget

These are indicative percentages; actual expenditure amongst these areas will depend upon local needs and discussion with local government bodies and citizen forums.

Corporate Governance Report

The Board's corporate governance policy is structured around its Corporate Governance Framework in compliance with the QCA Corporate Governance Code. It is supported by a number of Committees to which certain Board responsibilities are delegated. These committees, in turn formally report to the Board following each meeting to ensure that the Board remains fully updated on their activities. The principal Board Committees include the Remuneration and Audit committees, which both have formally delegated duties and responsibilities and written terms of reference. From time to time, the Board may set up additional committees to consider specific issues when the need arises.

The Board should establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture.

The Board should ensure that workforce policies and practices are consistent with the Company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.

Reports on the activities of the principal Board Committees can be found on the following pages and their Terms of Reference are available on the Company's website on the following link Mercantile

Ports & Logistics Ltd - Shareholding Info, The Group Company Secretary provides support as the secretary for the principal Board Committees.

BOARD COMMITTEES

The Board of Directors are supported by the following committees:

i. The Audit Committee - principal duties are to assist the Board in discharging its responsibilities to maintain the integrity of the financial statements, to review financial information, financial plans and budget, and to monitor the effectiveness of the systems of internal control and risk management. It also reviews the effectiveness and the objectivity of the external auditors.

ii. The Remuneration Committee - determines the remuneration and benefits of executive Directors, and manages associated incentive schemes.

iii. The Nominations Committee - assists the Board in reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and makes recommendations to the Board with regard to any changes.

The Board considers that the Corporate Governance Framework promotes the effective and sound management of the Group in the long-term interest of the Group and its shareholders and is effective in promoting compliance with the Corporate Governance principles of the AIM ruling.

Board of Directors:

Jeremy Warner Allen

Chairman

Appointed as Chairman to the Board 16 January 2020, prior to which he served as Independent Non - Executive Director since 06 December 2018.

Skills and expertise

Jeremy joined the Group in December 2018. He has over 25 years' experience in capital markets, most recently as Executive Director, Board Member and Head of the Growth Companies Team at Cenkos Securities plc, where he advised a number of AIM companies over a period of 11 years. Whilst at Cenkos he was instrumental in supporting MPL since the IPO in 2010. Prior to joining Cenkos, he was a founding member of Evolution Beeson Gregory Limited and responsible for the UK sales desk, a role he retained when Beeson Gregory merged with Evolution Securities in 2002. As Chairman of MPL he focused on driving an increase in the operational activities of the Group.

Key External Appointments

Non-Executive Director TP Group and Non-Executive

Deputy Chairman of OPG Power Ventures PLC

Committee membership

Member of the Nomination and Remuneration Committee

Jay Mehta

Managing Director

Appointed as Managing Director 13 December 2018 prior to which he served as Group COO from 24 August 2010 and was appointed to the Board as Director 12 September 2016.

Skills and expertise

Jay has over 20 years' experience in port operations and management, port marketing and logistics planning. He formerly worked for Merrill Lynch in New York. Jay holds a Diploma in Port, Shipping and Transport Management from the International Maritime Transport Academy, Rotterdam, The Netherlands and an MBA (Finance) from Fordham University, New York.

Jay was appointed to the Board having been with the Company since inception. Jay is the Managing Director of Karanja Terminals & Logistics Private Limited and MPL. Jay Mehta's tenure with MPL has been impressive and he is highly regarded, both internally and externally. Having been involved with this project from the outset, Jay's input on the Board is key to ensuring its first development is a success. With the support of the Board and other key management he has built a team that is ready for the transition of moving from a development project to a fully operational Ports & Logistics Facility. As Managing Director Jay has shown great persistence and leadership in overcoming the early difficulties related to securing environmental clearance and was key in securing the second and third round of equity finance.

Key External Appointments

None.

Committee membership

Board member.

John Fitzgerald

Independent Non-Executive Director

Appointed to the Board as Independent

Non-Executive Director on 20 September 2017.

Skills and expertise

John is an experienced Director working in the UK as well as for global ports business. His 30-year career working for the two largest UK privatized port businesses, Associated British Ports and Peel Ports, culminated in him running the UK's largest and most commercially successful port complex, ABP Humber Ports. Heading up ports large and small John has pioneered many significant long term business development schemes, and managed large scale capital projects both enhancing existing and creating new infrastructure, generating significant shareholder value, and delivering economic value-add to the regions he has worked in. He has recently served as regional Chairman for Confederation of British Industries. John has spent the last 6 months working with the team challenging the operational structure to ensure we are establishing an efficient operating port. He has also taken an active role in how we optimize capacity utilisation and maximize revenues and profits.

Key External Appointments

Non-Executive Director KCOM Group Limited.

Director of John Fitzgerald Limited.

Committee membership

Chairman of the Remuneration Committee & Nomination

Committee and member of the Audit Committee.

Karanpal Singh

Non-Executive Director

Appointed to the Board as Independent Director

06 December 2018.

Skills and expertise

Mr. Karanpal Singh serves as a Founder of Hunch Ventures. Mr. Singh has had a successful background in Real Estate, Hospitality, Mining and Construction and is among a new generation of self-made entrepreneurs' investors who are changing the landscape of start-ups in India engaged in technology, marketing and services. He is extremely connected with the industry, clued on and engaged with the businesses he has invested into and has an aggressive vision for his group of companies. Prior to this, he served at Essential Resources Pvt. Ltd and KJS Concrete. He serves as Director at vMobo Inc.

Key External Appointments

Founder of Hunch Ventures, Director of KJS Concrete

Committee membership

None.

Amit Dutta

Non-Executive Director

Appointed to the Board as Independent Director

from 11 January 2022

Skills and expertise

Amit Dutta has over 21 years' experience in a corporate career with leading companies such as Unilever, Reliance Infocom, General Motors and American Express. He is currently serving as Managing Director and Co-Founder of BLADE India, a JV between Hunch Ventures and BLADE USA. Amit is also a member of the Board of Directors of Comprehensive Healthcare Systems, USA, a participant in the healthcare technology platform market in the United States and Canada. Amit holds an MBA from the Indian Institute of Management, Lucknow and a Bachelor's Degree in Civil Engineering from Jadavpur University, India.

External Appointments

Astral Travels Private Ltd, Sea Sport Marine Private Limited, Luxury Hues Consultancy Services (India) Private Limited, Quintessentially Lifestyle Services (India) Private Limited, LH Consulting Private Limited, Radiant Hues CRM Solutions Private Limited, Radiant hues consultancy services private limited, Tea monk global foods private limited, Hues lifestyle services (India) private limited, Fly blade (India) private limited

Committee membership

None

Dmitri Tsvetkov
Non-Executive Director

Appointed to the Board as Independent Director

from 31 January 2022

Skills and expertise

Dmitry has over 30 years of financial, accounting, and operational experience, including substantial experience working with promoter/founder-led energy sector listed businesses in London, Africa, Asia, and Canada. Since January 2024, Tsvetkov has served as Chief Financial Officer of Nexwell LLC and Nexwell Power. He holds the designations of Chartered Accountant (CA) from the Canadian Institute of Chartered Accountants, FCCA from the Association of Chartered and Certified Accountants in the United Kingdom, and CFA from the CFA Institute in the United States.

Committee membership

Member of Audit Committee
Member of Remuneration Committee

Stefan Passantino

Non-Executive Director

Appointed to the Board as Independent Director

from 26 February 2025.

Skills and expertise

Mr. Passantino has over 30 years of experience in election law, ethics, campaign finance, and lobbying, representing corporations, political figures, and advocacy groups. He has played a pivotal role in compliance and ethics programs, having served as Deputy Assistant to the President of the United States and Deputy White House Counsel, where he led the White House Compliance and Ethics programs during 2016-2018.

Mr. Passantino is a co-author of Handbook on Corporate Political Activity: Emerging Corporate Governance Issues and a regular contributor to media outlets like CNN, POLITICO, and FOX News.

As a Visiting Professor, he teaches campaign finance at Georgia State University College of Law and the University of Georgia.

Key External Appointments

Elections, LLC, The Gingrich Foundation Inc., and KSV Investment Designs

Committee membership

Board member.

Directors' Independence

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

The Board comprises the Non-Executive Chairman, one Executive Directors and five Non-Executive Directors. The Board considers, after careful review, that the Non-Executive Directors bring an independent judgement to bear. The Board is satisfied that it has a suitable balance between independence and knowledge of the Company to enable it to discharge its duties and responsibilities effectively.

All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational.

Time Commitment

The executive Directors are expected to devote substantially the whole of their time, attention and ability to their duties as one would expect. The non-executives have a lesser time commitment. It is anticipated that each of the non-executives will dedicate 24 days a year. The non-executive Directors have all confirmed that they are able to allocate sufficient time to meet the expectations of their role, and they are required to obtain the Chairman's agreement (or, in the case of the Chairman, the chief executive's agreement) before accepting additional commitments that might affect the time they are able to devote.

Training, development and advice

The Board remains committed to effectively leading the Company, ensuring that our business is managed prudently and soundly to drive sustained long-term value for our shareholders. The balance of skills and expertise on our Board will allow us to continue creating value as we expand our horizons and lead the future of world trade.

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including in the areas of port construction, finance, innovation, international trading and marketing. All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings.

From time to time, the Directors, as appropriate, attend training courses, conferences and/or industry forums, read technical and other journals and undertake online learning to keep up-to-date on various matters. They also attend relevant specialist briefings, some of which form part of Board or executive committee meetings.

Once a year, the Company nominated adviser provides education and training to all the directors on the AIM Rules and aspects of the Market Abuse Regulation, and the Company's dealing code.

Subject to certain limitations, all the Directors are entitled to obtain independent professional advice at the Company's expense.

Attendance at Board and Committee Meetings

Although there is a prescribed pattern of presentation to the Board, including matters specifically reserved for the Board's decision, all Board meetings tend to have further subjects for discussion and decision-making. Board papers, including an agenda, are sent out in advance of the meetings. Board meetings are discursive in style and all Directors are encouraged to offer their opinions.

The Board met Six times during the year either in person or via telephone or video conference. In addition, written resolutions (as permitted by the Company's Articles of Association) can be used as required for the approval of decisions that exceeded the delegated authorities provided to Executive Directors and Committees. The table below sets out the attendance of the Directors at the Board and Committee meetings during the year. The Directors' attendance at Board and Committee meetings during the year is shown below:

Director	Board	AGM/EG M	Audit Committee	Remuneration Committee
Jeremy Warner Allen	2	2	1	1
Jay Mehta	2	2	0	0
John Fitzgerald	2	1	1	1
Karanpal Singh	2	1	0	0
Dmitri Tvestov	2	2	1	1
Amit Dutta	2	2	0	0

2024 Board Activities: Significant matters considered during the year.

2024	
Leadership	Reviewed the structure, size and composition of the Board and its Committees.
Financial reporting and Controls	Considered results, after challenging them and the strategic decisions, approved Group Budget, Going Concern and Impairment Review Memorandum.
Strategy and Management	Setting the strategy and regularly monitoring it by receiving detailed presentations on performance against strategic objectives and key performance indicators.
Risk Management	Received updates on insurance matters and approved the renewal of the Directors' and Officers' Insurance. Reviewed and monitored the key risks as outlined in the strategic report section.
Corporate Governance	Review of Corporate Governance Statement of Compliance with the QCA Corporate Governance Code.
Shareholders	Reviewed and approved throughput announcements releases during the year. Reviewed and approved full and half-year results announcement. Approved the Group's Annual Report and Accounts.

Accountability

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management Framework

Risk management is the responsibility of the Board and is integral to the achievement of our strategic objectives. The Board is responsible for establishing the system of risk management, setting the risk appetite of the Group and for maintaining a sound internal control system. The Audit Committee oversees certain elements of this responsibility on behalf of the Board.

The Group's risk management and internal control processes, which have been in place throughout the period under review, identify, manage and monitor the key risks facing the Group. The risks which are considered to be material are reviewed by the Audit Committee and then, together with their associated controls, are presented to the Board for review.

Guidelines Regarding Insider Trading

The Group takes all reasonable steps to avoid the risk of insider trading. It has adopted processes to keep all members of staff informed about their duties with respect to the handling of inside information, as well as dealings in the Company's shares. The Group has a share dealing code which sets out the restrictions and "close" periods applicable to trading in securities. Memoranda and guidelines regarding dealings in shares (either selling or buying) have been circulated within the Group.

Audit Committee

Members

During the year, the Committee was composed of three members, the three Independent Non-Executives. The Company has appointed Dmitri Tsvetkov as an Independent Non- Executive Director and Chairman of Audit Committee to ensure adherence to the QCA Code and terms of reference.

Committee Meetings

The Audit Committee meets formally at least three times a year and otherwise as required.

-

Attendance at the Audit Committee meetings is set out in the table on page 26-27.

Role of the Committee

The primary role of the Audit Committee is to ensure the integrity of the financial reporting and audit process and to oversee the maintenance of sound internal control and risk management systems. This includes the responsibility to:

- make recommendations to the Board on the appointment and remuneration of the external auditors, review and monitor the external auditors' performance, expertise, independence and objectivity along with the effectiveness of the audit process and its scope;
- review and monitor the integrity of the Group's financial statements and the significant reporting judgements contained in them;
- monitor the appropriateness of the accounting policies and practices;

- review the adequacy and effectiveness of financial reporting and internal control policies and procedures and risk management systems;
- review the effectiveness of the Group's whistle blowing policies; and
- monitor risks and compliance procedures across the Group.

Significant Issues

The Audit Committee identified the issues below as significant in the context of the 2024 financial statements. These areas are considered to be significant taking into account the level of materiality and the degree of judgement exercised by management. The Audit Committee debated the issues in detail to ensure that the approaches taken were appropriate and the judgements made were correct.

Impairment testing (refer critical accounting estimate section before note 3 to the financial statements) An impairment review is carried out annually by management to consider whether there is any indication that the Port may be impaired (i.e. it carrying amount may be higher than its recoverable amount). Impairment results in a charge to the Consolidated Statement of Comprehensive Income. Key judgements and assumptions need to be made when valuing the Port and the quantum of potential future cash flows arising from this asset.	The Audit Committee considered the significant judgements, assumptions and estimates made by management in preparing the impairment review to ensure that they were appropriate. In particular, the cash flow projections, port capacity, tariffs used, margins, discount rates, inflation and sensitivity analysis were reviewed. The Audit Committee also considered external market factors to assess reasonableness of management assumptions. The Group's Port Asset represents its most significant asset and PPE totals £99.93 million as at 31 December 2024 prior to impairment. Management is required to assess whether there are any indications that the Group's assets may be impaired as at 31 December 2024. This assessment is undertaken in line with IAS 36 Impairment of Assets. Management determined that the indicators of impairment were the market capitalization of the Group being lower compared to the carrying value of the Port Asset and the group not performing in the financial year 2024 as per forecasted results. The future viability and recoverability of the Port Asset is underpinned by the results achieved to date and the prediction of future value based on the future cash inflows generated from the assets. The Company initiated a valuation exercise to carry out the impairment testing with the support of an independent external agency to assess the impact of impairment of the

	Port Asset at the Enterprise Value in its financial Projections over the lease period. Based on the assessment made, there is an impact of £16.16 million (GBP Sixteen Million Sixteen Thousand) impairment charge recognized, out of which the net impact of £6.77 million which is for the current year as provided in the accounts & as the balance £9.39 million was already been provided in the previous year. The assessment of the recoverable amount of the Port Asset required significant judgement and estimation by management and was therefore considered to be a key audit matter.
Going Concern (see note 2 to the financial statements) A going concern review is carried out annually by management to consider whether there is any indication of the Group not being able to continue in business for the foreseeable future and to confirm there is neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. Accordingly, assets and liabilities are recorded on the basis that the entity will be able to realize assets and discharge its liabilities in the normal course of business. This assessment involves consideration of key judgements and assumptions, including the availability of funding, borrowings, projected revenues and costs, and whether collectively these factors may cast significant doubt on the Group's ability to continue as a going concern.	The consolidated Statement of Cash Flows and note 2 (a) to the financial statements highlight the Group's ability to meet its day-to-day working capital requirements through cash generated from operations, equity proceeds, and funding support. In preparing the financial statements for the year ended 31 December 2024, the Directors have assessed the Group's ability to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. While the Board has concluded that it remains appropriate to adopt the going concern basis of accounting, it acknowledges that a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern. During the year, the Group submitted a revised One Time Settlement (OTS) proposal, to the Group's lending consortium which consists of 3 banks to restructure its outstanding borrowings. As at the date of approval of these financial statements, the OTS has been sanctioned by the lead bank of the lending consortium; however, formal approval from the remaining consortium members is still awaited. Until all approvals are secured and the settlement is legally binding, uncertainty remains regarding the Group's ability to meet its loan obligations, which have remained unpaid since March 2023 and have been provided for in the financial statements. In parallel, external geopolitical factors have adversely impacted the shipping industry. Ongoing conflicts in the Middle East and between Ukraine and Russia have disrupted global trade flows, inflated freight rates, and necessitated re-routing of vessels, all of which have affected operations at the Group's Indian port subsidiary. These factors have contributed to the broader financing challenges faced during the year. Despite this, the Group has continued to secure and maintain commercial operations at the port. Key commodities handled during the year included coal, cement, girders, and offshore supply vessels. Accordingly, the Group's financial forecasts have been prepared conservatively for the 24-month period from 1

	January 2025 to 31 December 2026, reflecting both seasonality and anticipated performance under existing and new contracts. The Group's funding strategy includes: • Opening cash balance £ 0.91 million; • Subscription receivable £ 3.78 million; • Credit line facility from KJS group £15.00 million. A sensitivity analysis has also been performed on the forecast model for the above period, considering revenue reductions and related operational cost impacts in the range of 20%–30%. The outcome of this analysis indicates that, under such downside scenarios, the Group would still have access to sufficient resources to manage its obligations and continue operations. Further details on the Group's financial position, cash flows, liquidity management and capital risk exposures are included in the Financial Review and note 15 to the financial statements. Iin conclusion, while the Directors acknowledge that material uncertainty remains due to the pending approval from the full lending consortium for the OTS, they are satisfied that, based on the available funding options, forecast cash flows, and shareholder support, the Group will have adequate resources to continue in operational existence for the foreseeable future and for a period of at least 18 months from the date of approval of the financial statements. Accordingly, the Board considers it appropriate to adopt the going concern basis of accounting in preparing the financial statements.
Depreciation of Port assets With the facility having become operational, utilization of its berth and storage area, will ramp up over a period driven by timing of new contracts. The accounting treatment of the Port asset into its components, along with the assessment of residual values and useful lives, is considered to be a complex component of the audit.	The Audit committee have assessed reasonableness of management assumptions in relation to both the useful life of the Port and the start date of depreciation. Taking this into account, together with the documentation presented and the explanations given by management, we were satisfied with thoroughness of the approach and judgements taken. During 2024, no additional parts of the Port have been placed into service.

Financial Reporting

The Committee reviewed the annual update to Group's accounting policies. The significant accounting judgements and policies adopted in respect of the Group's financial statements were agreed and considered appropriate.

Internal Controls

The Board is responsible for establishing and maintaining an effective system of internal control and has established a control framework within which the Group operates. This system of internal control is embedded in all key operations and is designed to provide reasonable assurance that the Group's business objectives will be achieved.

The risk management process and the system of internal control are subject to continuous improvement.

The Group's internal control systems are designed to manage rather than eliminate business risk. They provide reasonable but not absolute assurance against material misstatement or loss. Such systems are necessary to safeguard shareholders' investment and the Company's assets and depend on regular evaluation of the extent of the risks to which the Group is exposed to. During the year, the controls have been developed to improve the control environment.
The Committee is of the view that the Group has made significant improvements during the year. The Chairperson (Dmitri Tsvetkov) of the Audit Committee reports any matters arising from the Committee's review to the Board following each meeting. This update covers the way in which the risk management and internal control processes are applied and on any breakdowns in, or exceptions to, these processes. There were no significant failings or weaknesses identified.

External Audit

MPL Board has appointed McMillan woods Audits Limited, UK as external auditors effective this calendar year 2024 onwards, replacing Grant Thornton UK LLP.

The audit fees agreed as per the engagement letter with the scope well defined is £ 85k approved by Audit Committee and executed by the auditors in the course of the audit for the period.

During the course of audit, they have provided valuable findings with regards to strengthening of internal process as well as compliance to the reporting requirements prevailing in respective years. The Audit Committee meets with McMillan Woods Audits Limited, UK in private at least once a year.

The Committee has undertaken an annual review of the independence and objectivity of the auditors and an assessment of the effectiveness of the audit process. It also received assurances from the auditors regarding their independence. On the basis of this review, the Committee recommended to the Board that it recommends to the shareholders that they support the reappointment of the auditor at the AGM.

Shareholder Engagement

Relations with Shareholders

The Group is committed to communicating its strategy and activities clearly to its shareholders and, to that end, maintains an active dialogue with investors through a program of investor relations activities.

Regular attendance at industry and regional investor conferences provides opportunities to meet with existing and prospective shareholders in order to update them on performance or to introduce them to the Group. In addition, the Group hosts investor and analyst visits to its port, offering analysts and shareholders a better understanding of the day-to-day business.

The Board receives regular updates on shareholders' views through briefings from the Group Chairman, Managing Director, Group Chief Financial Officer as well as reports from the Group's corporate brokers and Investor Relations team.

The Chairman, the Non-Executive Independent Directors and the Managing Director are available to meet major investors on request.

Visit our dedicated Investors page on our corporate website www.mercpl.com – Investors Reporting Contact our Investor Relations team: Investor Relations **Email: mpl@newgatecomms.com**.

Directors' Remuneration Report

The purpose of this report is to set out all the elements of the Directors' remuneration policy and the key factors that were taken into account in setting the policy and to report on how the Directors' remuneration policy has been implemented. It also sets out amounts awarded to Directors and provides details on the link between the entity's performance and Directors' remuneration.

Executive Directors' Service Contracts and Remuneration as at 31 December 2024.

The Executive Directors' remuneration structure follows the market practice. Each of the Executive Directors are employed pursuant to a service agreement or employment contract.

Jay Mehta – Managing Director

Jay Mehta's employment contract is with Karanja Terminal & Logistics Private Limited and he is entitled to receive a base salary and certain bonuses under his service agreement.

During this current year, the board has approved £5000 per month payable to him as remuneration effective January 2024, separately from MPL.

Post-Retirement Benefits

The Gratuity Scheme (post-retirement benefit) covers the staff as well as the Senior Management of the Company.

Table of Directors' Remuneration:

The total remuneration of the Directors of the Company is as follows:

	2024 £ 000	2023 £ 000
Salary & Bonus	144	263
Fees	165	201
Other benefit	--	--
Pension Contributions	--	--
Total	**309**	***464**

*Salary and bonus include Key Management Personnel cost in 2023 which is not included in the below table.

The remuneration, excluding pension contributions, of the individual Directors is as follows:

For year ended 31 December 2024	Directors' Salaries £ 000	Bonus Paid £ 000	Pension Contribution £ 000	Directors' fees £ 000	Total £ 000
Jay Mehta	144	--	--	--	144
Jeremy Warner Allen	--	--	--	40	40
John Fitzgerald	--	--	--	45	45
Karanpal Singh	--	--	--	--	--
Amit Dutta	--	--	--	35	35
Dmitri Tsvetkov	--	--	--	45	45
Total	**144**	**--**	**--**	**165**	**309**

For year ended 31 December 2023	Directors' Salaries £ 000	Bonus Paid £ 000	Pension Contribution £ 000	Directors' fees £ 000	Total £ 000
Jay Mehta	88	--	--	--	88
Jeremy Warner Allen	--	--	--	40	40
Lord Flight	--	--	--	36	36
John Fitzgerald	--	--	--	45	45
Karanpal Singh	--	--	--	--	--
Amit Dutta	--	--	--	35	35
Dmitri Tsvetkov	--	--	--	45	45
Total	**88**	**--**	**--**	**201**	**289**

Non-Executive Directors' Letters of Appointment and Fees

The Non-Executive Directors do not have service contracts with the Company. Their terms of appointment are governed by letters of appointment. The Company has a contractual obligation to provide 3 months' fees but no further benefits to any of the Non-Executive Directors upon termination of their Directorship

Each Non-Executive Director's letter of appointment is with MPL and is envisaged to be for a period of three years, subject to annual reappointment by the shareholders at each AGM. It can be terminated on three months' notice by either party.

During the financial year ending 31 December 2024 and 2023, Karanpal Singh, the representative for Hunch Ventures, was not remunerated by the Company

Performance Evaluation

John Fitzgerald as Chairman of the Remuneration Committee, stated that the performance evaluation of the Directors on board as well as the Group (as a whole) could not be carried out during the year, due to the pre-engagement of the directors on rigorous follow up with various financial / banking institutions for seeking alternative for the term debt takeover of the facilities during the period

He has stated that as chairman of the remuneration committee, he is determined to carry our performance evaluation post the signing of the audited financials in June 2025. The assessment specifically will be based on the individual contributions of each of the members of the board/team to ensure that:

- Their contribution is relevant and effective
- They are committed
- Where relevant, they have maintained their independence

During the year the Board intend to review the performance of the team as a unit to ensure that the members of the Board collectively function in an efficient and productive manner. Further detail on the specific remuneration committee is disclosed in the corporate governance section of the Company **website www.mercpl.com**.

Succession planning and process by which the Board and senior management appointments are determined

Succession planning is regarded by the Board as vitally important in maintaining a "strong bench" and continued success of the business. Through regular reviews and management discussions, future business leaders are identified and personal development plans are put in place to harness their potential. In practice, the Chairman and the Chief Executive lead on the Board nomination and appointment process. They consider the balance of skills, knowledge and experience on the Board and make appropriate recommendations for consideration by the whole Board. Each Board member is invited to meet with the candidate. This process has been used effectively for a number of years and has led the board to remain of the view that it should continue to operate in this way rather than through a more formal nomination committee. Other senior appointments are made by the Chief Executive in discussion with the Chairman.

We expect the Board evaluation process to evolve over time so that it becomes linked to succession.

Interests in Shares

The following is a table of the Directors' and Senior Managers' shareholdings:

Particular	Ordinary Shares held as at 1 January 2024	Ordinary Shares held as at 31 December 2024	Change
John Fitzgerald (Non-Executive Director)	645,510	1,263,671	618,161
Jeremy Warner Allen (Non-Executive Director)	3,852,878	3,852,878	--
Karanpal Singh (Non-Executive Director) *	136,819,712	136,819,712	--
Jay Mehta (Managing Director)	3,539,113	3,459,109	(80,004)
Dmitri Tsvekov	291,743	909,103	617,360

*Shares held through Hunch Ventures and Investments Private Limited.

Independent Auditor's Report

To the members of Mercantile Ports & Logistics Limited

Opinion on the financial statements

We have audited the consolidated financial statements of Mercantile Ports & Logistics Limited for the year ended 31st December, 2024 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and notes to the group financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union ("IFRS").

In our opinion, the group financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December, 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"); and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group 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.

Material Uncertainty Relating to Going Concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting is appropriate. However, we have identified a material uncertainty relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

As disclosed in Note 2 to the financial statements, the Group continues to face significant liquidity pressures and has been unable to meet its scheduled repayments of principal and interest on its term loan.

Management has submitted a One-Time Settlement (OTS) proposal to the consortium of lenders and is seeking unsecured loan funding from a related party to finance the settlement. As of the date of this report, the OTS has been sanctioned by one of the consortium banks, but full approval and related party funding have not yet been secured.

These conditions, along with recurring operating losses and ongoing funding requirements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our evaluation of the directors' assessment considered the Group's liquidity position, funding plans, post-balance sheet developments, and financial forecasts, including sensitivity analyses. Further details of our audit response and key observations are included in the Key Audit Matters section of our report.

Our opinion is not modified in respect of this matter.

Independence

We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Coverage	Group Financial Statements
Key audit matters	• Impairment review of port assets • Management override of controls • Fraud risk in revenue recognition (Our fraud risk has been pinpointed to year-end cut-off of port services and the application of IFRS 15 to contracts with multiple performance obligations) • Going Concern
Overall Materiality	Group materiality has been determined to be £1,723,000, which represents 0.50% of the group's total assets.

The scope of our work included:

- A full-scope audit of the financial information of the Indian subsidiary;
- Specific-scope audit procedures on the financial information of the parent company based in Guernsey; and
- Analytical procedures on the financial information of the intermediate holding company located in Cyprus.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	**How our scope addressed this matter**
Impairment review of Port Asset The Group's port and logistics facility in Mumbai is its principal operating asset and continues to be central to the generation of future revenues and cash flows. As at 31 December 2024, the port assets (including assets under development) had a carrying value of £111.19m (2023 - £115.2m), while the market capitalization stood at £95.03m, indicating a potential impairment trigger under IAS 36 Impairment of Assets. In addition, the Group reported an operating loss of £11.89m (prior to impairment) and revenue of £4.35 million for the year ended 31 December 2024, compared to a loss of £11.4m and revenue of £5.462m in the prior year. These continuing losses and declining revenue further indicated that the asset may be impaired. When there are indications of impairment, management is required to perform an impairment review of the port assets at the year end, in accordance with -	**In responding to the key audit matter, we performed the following audit procedures:** • Obtained an understanding of the control environment and business processes associated with the impairment, with a walkthrough test performed to assess the design and implementation effectiveness of related controls, including the Methodology applied by management to identify indicators of impairment; • Obtained and tested management's model for mathematical accuracy and confirmed that the assumptions within the model are consistent with those of the going concern assessment; • Challenged the key underlying assumptions used in the model such as revenue growth, margin, expenditure and capacity utilisation; • Corroborated the growth forecasts to the commencement and enforceability of client contracts, along with which of these have been signed and have commitments made by clients; • Reviewed post-year-end management accounts up to 31 May 2025 to assess actual performance and determine consistency with the financial forecasts used in the impairment model; • Compared management's assumptions against external economic forecasts that reflect the uncertainties inherent within the current economic environment that could impact on the demand for services and growth potential;

International Accounting Standard ('IAS') 36 'Impairment of Assets'. The assessment of the port asset for impairment requires management to make a number of significant judgements, including: • Discount rate applied; • Estimated forecasted revenues; & • Operating profit margins expected Given the level of judgement involved and the material impact of the impairment charge, we identified this area as a key audit matter. **Relevant disclosures in the Annual Report & Accounts for the year ended 2024** • Financial statements: Note 2(m), Property, Plant and Equipment. • Critical Accounting Estimate	• Evaluated the competence, capability, and objectivity of management's expert appointed to support management in the calculation of the WACC (Weighted average cost of capital) and the Discounted Cash Flow (DCF) analysis; • Applied sensitivities to key inputs in the value-in-use calculations of the port assets to determine the headroom and robustness of the calculation; and • Identified and considered the adequacy of the disclosures against the requirements of IAS 36. **Our Results:** Based on our review of the impairment model, verification of key assumptions, and evaluation of management's assessment, we conclude that the impairment assessment is reasonable and impairment losses of £16.16m have been appropriately recognized and disclosed in all material respects, out of which the net impact of £6.77 million which is for the current year as provided in the accounts and as the balance £9.39 million was already been provided in the previous year. No material misstatements or exceptions were identified in the impairment testing process.
Management override of controls Under ISA 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements, there is a presumed risk of material misstatement due to fraud arising from management override of controls. This risk is present in all audits, regardless of the control environment. Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. This includes journal entries, significant accounting estimates, and unusual transactions outside the normal course of business. Given the risk is inherent and not	**In responding to the key audit matter, we performed the following audit procedures:** • Tested journal entries using a risk-based approach, focusing on unusual timing, amounts, or descriptions; • Reviewed significant estimates and judgements made by management for potential bias; • Evaluated segregation of duties and assessed whether appropriate controls were in place to mitigate override risk; • Conducted fraud risk interviews with management and key personnel to understand their awareness and handling of fraud risks. **Our Results:** Based on the procedures performed, we did not identify any evidence of management override of controls that resulted in a material misstatement in the financial statements.
Fraud risk in revenue recognition - Cut off of port services and application of IFRS 15 to contracts with multiple performance obligations Revenue recognition was identified as a significant risk of material misstatement due to fraud, in line with the rebuttable presumption under ISA	**In responding to the key audit matter, we performed the following audit procedures:** • Obtaining a detailed understanding of the manual and automated processes, and relevant controls, concerning the recognition of revenue, along with performing walkthrough tests to determine the implementation effectiveness of these. • Assessed management's analysis of the recognition of revenue for a sample of contracts to determine whether revenue recognition is in accordance with accounting policies and the detailed criteria within IFRS 15, corroborating key judgements made or specifics of these contracts with individuals outside of the finance team and with a third party where applicable.

(UK) 240 that revenue may be misstated due to fraudulent transactions. The Group's revenue arises from diverse streams including port operations and logistics services, sale of traded goods, and long-term leases. The application of IFRS 15 'Revenue from Contracts with Customers' is complex because many contracts contain multiple performance obligations with different recognition criteria. A key risk relates to the timing of revenue recognition, particularly for port services where invoices are raised and posted to the system during the week before the vessel is due to arrive. Additionally, the Group does not have formalized controls or detailed processes to monitor services performed or revenue cut-off. Instead, senior management maintain close communication with customers to oversee services and invoicing. This combination of complex contract terms, significant management judgement, and reliance on key personnel rather than formal controls heightened the risk of revenue misstatement. **Relevant disclosures in the Annual Report** Financial statements: Note 2 (e), Significant Accounting Policies – Revenue recognition and Note 4, Revenue from operations.	• Inspected a sample of contracts to agree the performance obligations and transaction price to the contract and confirm whether these have been appropriately recognised, along with the associated contract assets and liabilities; and • Tested a sample of revenue for the last week of the year and first two weeks of 2025 to determine whether revenue has been recorded in the correct period. **Our Results:** Our audit work did not identify material misstatements in revenue due to fraud.
Going Concern Under ISA (UK) 570 "Going Concern", we as auditors are required to obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in preparing the financial statements, and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern. This requires significant auditor judgment and evaluation of management's assumptions and future plans. For Mercantile Ports& Logistics Limited, going concern is a Key Audit Matter due to the Group's challenging financial position, including its downgrading by the bank, recurring operating losses, and liquidity pressures.	**In responding to the key audit matter, we performed the following audit procedures:** • Obtained management's base case and downside scenario forecasts for the period to 31 December 2026 together with supporting evidence for all key trading, working capital and cash flow assumptions; • Performed arithmetical accuracy procedures on each of management's forecast scenarios, including forecast liquidity; • Challenged the key underlying assumptions used in the model such as revenue growth, margin, expenditure and capacity utilization; • Obtained management's severe but plausible downside scenario ('severe downside scenario'), where growth expectations are not achieved, and where all current debt obligations are immediately payable and no deferral of principal or interest is included; • Corroborated the growth forecasts to the commencement and enforceability of client contracts that have been entered into; Obtained and analyzed the funding arrangements in place and confirmed whether there is sufficient headroom in place to cover cash flow requirements during the period of at least

The management has submitted a proposal to the bank for a One-Time Settlement (OTS) agreement and is pursuing related party funding of around INR 475 Crores (approx. £44.20m) to settle the OTS. While the Group has secured sanction for the OTS from one of the consortium banks, the full approval and funding arrangements were not yet finalised at the time of our assessment. This creates uncertainty about the Group's ability to meet its financial obligations and continue as a going concern, requiring heightened audit focus and judgment. **Relevant disclosures in the Annual Report** • Financial statements: Note 2, Basis of preparation	• Assessed the policies and disclosures in respect of going concern in the financial statements for appropriateness. **Our Results:** We identified that while material uncertainty continues to exist, primarily due to pending approvals from the remaining lenders and the reliance on related party funding, the OTS sanction from one bank and contractual revenue inflows provide support to the going concern assumption. This is described further in the Material Uncertainty Related to Going Concern section of our report.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Final Group Materiality	£1,723,000 (2023: £750,000)
Rationale for the benchmark applied	We have determined materiality at £1,723,000 based on professional judgement in the context of our knowledge of the business, including consideration of factors such as shareholder expectations, industry developments, financial stability and reporting requirements for the financial statements. As the trading activities are in their preliminary stages, we consider the users of the financial statements are primarily concerned with the value of the capital investments in the company (i.e. constructions of the port). We deemed that as the company has not yet fully utilized the huge asset investment and the value of the Company is still in how they are able to exploit these assets to generate revenue and therefore assets is considered an appropriate benchmark for materiality. However, given that the company is in fourth full year of operation an earnings-based benchmark may be more relevant. Revenue is £4.35m (2023: £5.46m) and is therefore flat year on year, and the business is loss making at £18.7m loss (FY23: £21.3m). Since revenue is volatile and not stable one and has declined from the previous year, Gross Assets serve as a more stable and appropriate benchmark for materiality.

	We note that the un-adjusted misstatements previous year impacting the P&L is immaterial and therefore does not impact on our consideration of current year materiality. Therefore, we consider that £1,723,000 being 0.50% of the total gross assets of the group is an appropriate benchmark to be used on the financial statements.
Performance materiality	£1,076,875 (2023: £525,000)
Basis for determining performance materiality	62.5% of Final Group Materiality
Rationale for the percentage applied for performance materiality	This percentage considers the first-year audit risk, potential control deficiencies, and the likelihood of undetected misstatements, ensuring sufficient audit coverage while minimizing audit inefficiencies.

Reporting threshold

We have determined that significant individual audit differences within our scope of work will be reported to the management. We have established a clearly trivial threshold of £53,800 and will report any differences below this threshold if, in our judgment, they warrant reporting on qualitative grounds.

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the group's business and in particular matters related to:

Understanding the group, its components, and their environments, including group-wide controls

Our audit approach was a risk-based approach founded on a thorough understanding of the group's business, its environment and risk profile. The group's operations and finance function is resourced in Mumbai, India, and the accountants for the component based in Cyprus report into the central finance function.

The engagement team obtained an understanding of the group and its environment, including group-wide controls, and assessed the risks of material misstatement at the group level; and

The group engagement team obtained an understanding of the control environment for each significant component. We also assessed the risks of material misstatement for each component.

Identifying significant components

We identified significant components as those that held significant amounts of the assets, loss before tax, and revenue of the business. This was determined to be any components that made up greater than 15% of the total revenue, loss before tax or assets. The other components were analysed to identify if there were material balances that would require a specific-scope audit or analytical procedures.

The Karanja Terminal & Logistics Private Limited (KTLPL) component (based in India) generates 100% of the group's revenue. KTLPL contributes to 93.5% of the group's loss before tax. As a result, KTLPL has been identified as the only individually financially significant component of the group.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters (KAM))

- A full scope audit of the financial information using component materiality was performed on the significant component, KTLPL. The KAMs for revenue recognition and impairment of the port asset relate to this component.
- An audit of one or more account balances, classes of transactions or disclosures of the component (specific-scope audit procedures) was performed on the parent company, Mercantile Ports & Logistics Ltd (based in Guernsey).
- Analytical procedures at group level (analytical procedures) were performed on the remaining component within the group, Karanja Terminal and Logistics (Cyprus) Ltd (based in Cyprus).

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Understanding and reviewing the reporting package submissions made by the component auditors;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the International Financial Reporting Standards as adopted by the European Union ("IFRS"); Indian tax laws and The Companies (Guernsey) Law,2008

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas that are most susceptible to fraud to be in relation to management override of controls, and revenue recognition.

Our procedures in respect of the above included:

- Discussions with the management regarding known or suspected instances of fraud, including gaining an understanding of where they considered there was a susceptibility to fraud;
- We obtained an understanding of the processes that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those processes;
- Assessing journal entries as part of our planned audit approach and performed analytical procedures at the planning and final stages to identify any unusual relationships among the financial statement line items.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements under our scope, recognizing that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

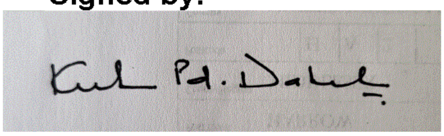
Use of our report

This report is made solely to the company's members, as a body, in accordance with our engagement letter dated 11th November 2024 and section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Krishna Prasad Dahal (Senior Statutory Auditor)

For and on behalf of
McMillan Woods Audits Limited
42-44 Bishopsgate
London
United Kingdom
EC2N4AH

Signed by:



0A43FEB7555E443...

6/27/2025

Date: 27 June 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
CONTINUING OPERATIONS			
Revenue	4	4,352	5,462
Cost of sales	5	(2,330)	(2,417)
Gross margin		2,022	3,045
Administrative expenses	6	(2,841)	(3,266)
Other income		921	590
Depreciation	11a	(4,740)	(5,581)
Impairment loss	11a	(6,772)	(9,853)
OPERATING LOSS		**(11,410)**	**(15,065)**
Finance income	7(a)	34	25
Finance cost	7(b)	(7,291)	(6,225)
NET FINANCING COST		**(7,257)**	**(6,200)**
LOSS BEFORE TAX		**(18,667)**	**(21,265)**
Tax income /(expense) for the year	8	--	--
LOSS FOR THE YEAR		**(18,667)**	**(21,265)**
Loss for the year attributable to:			
Non-controlling interest		(37)	(43)
Owners of the parent		(18,630)	(21,222)
LOSS FOR THE YEAR		**(18,667)**	**(21,265)**
Other Comprehensive (Loss)/income:			
Items that will not be reclassified subsequently to profit or (loss)			
Re-measurement of net defined benefit liability	24	1	27
Items that will be reclassified subsequently to profit or (loss)			
Exchange differences on translating foreign operations			
Exchange difference on translating foreign operations attributable to:		(460)	(5,015)
Non-controlling interest		(1)	--
Owners of the parent		(459)	--
Other comprehensive expense for the year		**(459)**	**(4,988)**
Total comprehensive expense for the year		**(19,126)**	**(26,253)**
Total comprehensive expense for the year attributable to:			
Non-controlling interest		(38)	(43)
Owners of the parent		(19,088)	(26,210)
Total Comprehensive Expense for the year		**(19,126)**	**(26,253)**
Earnings per share (consolidated):			
Basic & Diluted, for the year attributable to ordinary equity holders	10	**(0.052p)**	**(0.105p)**

The accompanying notes on page 48 to 96 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Assets			
Property, plant and equipment	11(a)	93,543	105,355
Intangible asset	11(b)	33	63
Total non-current assets		**93,576**	**105,418**
Current tax assets	19 (a)	2,879	2,114
Inventory of traded goods		323	72
Trade and other receivables	12	13,296	16,339
Investments	13	180	173
Cash and cash equivalents	14	911	2,881
Total current assets		**17,589**	**21,579**
Total assets		**111,165**	**126,997**
Liabilities			
Non-current			
Employee benefit obligations	17	42	35
Borrowings	18	28,461	36,399
Lease liabilities payable	20	1,206	1,457
Non-current liabilities		**29,709**	**37,891**
Current			
Employee benefit obligations	17	259	276
Borrowings	18	22,037	10,672
Current tax liabilities	19 (b)	17	61
Lease liabilities payable	20	590	335
Trade and other payable	20	4,048	4,131
Current liabilities		**26,951**	**15,475**
Total liabilities		**56,660**	**53,366**
Net assets		**54,505**	**73,631**
Equity			
Stated Capital	16	152,354	152,354
Retained earnings	16	(65,846)	(47,217)
Translation Reserve	16	(31,903)	(31,444)
Equity attributable to owners of parent		**54,605**	**73,693**
Non-controlling Interest		(100)	(62)
Total equity		**54,505**	**73,631**

1. The accompanying notes on page 48 to 96 form part of these consolidated financial statements.
2. The consolidated financial statements have been approved and authorized for issue by the Board on 27 June, 2025.

DocuSigned by:

Jay Mehta

E17778D07A8D40A...

Jay Mehta
Managing Director

6/27/2025

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before tax		(18,667)	(21,265)
Non cash flow adjustments	22	18,664	21,548
Operating (loss) before working capital changes		(3)	283
Net changes in working capital	22	1,116	(224)
Taxes paid		(765)	(6)
Net cash used in operating activities		**348**	**53**
CASH FLOW FROM INVESTING ACTIVITIES			
Used in purchase of property, plant and equipment (PPE)		518	(1,651)
Sale proceeds of PPE		25	6
Finance Income	7(a)	34	25
Net cash used in investing activities		**577**	**(1,620)**
CASH FLOW FROM FINANCING ACTIVITIES			
From issue of additional shares		--	5,640
Fund raise cost		--	(941)
Subscription money received (from the previous fund raise)		290	797
Repayment of bank borrowing principal		--	(99)
Repayment of borrowings		(3,094)	--
Interest paid on borrowings		--	(749)
Principal repayment of lease liabilities		(54)	(737)
Interest payment on leasing liabilities principal		(31)	(9)
Net cash from financing activities		**(2,890)**	**3,902**
Net change in cash and cash equivalents		**(1,965)**	**2,335**
Cash and cash equivalents, beginning of the year		2,881	558
Exchange difference on cash and cash equivalents		(5)	(12)
Cash and cash equivalents, end of the year		**911**	**2,881**

The accompanying notes on page 48 to 96 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Stated Capital	Translation Reserve	Retained Earnings	Other Components of equity	Non-controlling Interest	Total Equity
	£000	£000	£000	£000	£000	£000
Balance at						
1 January 2024	**152,354**	**(31,444)**	**(47,217)**	**--**	**(62)**	**73,631**
Transaction with owners	**152,354**	**(31,444)**	**(47,217)**	**--**	**(62)**	**73,631**
Loss for the year	--	--	(18,630)	--	(37)	(18,667)
Foreign currency translation difference for foreign operations	--	(459)	--	--	(1)	(460)
Re-measurement of net defined benefit liability	--	--	--	1	--	1
Re-measurement of net defined benefit liability transfer to retained earnings	--	--	1	(1)	--	--
Total comprehensive income for the year	--	(459)	(18,629)	--	(38)	(19,126)
31 December 2024	**152,354**	**(31, 903)**	**(65,846)**	**--**	**(100)**	**54,505**
Balance at 1 January 2023	**143,851**	**(26,429)**	**(26,022)**	**--**	**(19)**	**91,381**
Issue of share capital	9,444	--	--	--	--	9,444
Share Issue cost	(941)	--	--	--	--	(941)
Transaction with owners	**152,354**	**(26,429)**	**(26,022)**	**--**	**(19)**	**99,884**
Loss for the year	--	--	(21,222)	--	(43)	(21,265)
Foreign currency translation difference for foreign operations	--	(5,015)	--	--	--	(5,015)
Re-measurement of net defined benefit liability	--	--	--	27	--	27
Re-measurement of net defined benefit liability transfer to retained earnings	--	--	27	(27)	--	--
Total comprehensive income for the year	--	(5,015)	(21,195)	--	(43)	(26,253)
Balance at						
31 December 2023	**152,354**	**(31,444)**	**(47,217)**	**--**	**(62)**	**73,631**

The accompanying notes on page 48 to 96 form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Mercantile Ports & Logistics Limited (the "Company") was incorporated in Guernsey under The Companies (Guernsey) Law, 2008 with registered number 52321 on 24 August 2010. Its registered office and principal place of business is 1st Floor, Tudor House, Le Bordage Rd, Guernsey GY1 1DB. It was listed on the Alternative Investment Market ('AIM') of the London Stock Exchange on 7 October 2010.

The consolidated financial statements of the Company comprise of the financial statements of the Company and its subsidiaries (together referred to as the "Group"). The consolidated financial statements have been prepared for the year ended 31 December 2024, and presented in UK Sterling (£).

The principal activities of the Group are to develop, own and operate a port and logistics facilities. As of 31 December 2024, the Group had 46 (Forty-six) (2023: 45 (Forty-five)) employees.

2. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis except where otherwise stated. The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations as adopted by the European Union and also to comply with The Companies (Guernsey) Law, 2008.

Climate Change and its impact on Karanja Port

Introduction

Climate change poses a significant threat to global sea ports, which are critical nodes in international trade and transportation. The rising sea levels, increased frequency and intensity of storms, and shifting weather patterns associated with climate change present multifaceted challenges to port operations and infrastructure.

The company has anticipated following key impacts of climate change for its operational activity:

1. Sea Level Rise:

- Inundation of Port Facilities: Rising sea levels may inundate low-lying port areas, causing structural damage to port infrastructure such as berth, open and covered storage yard, storm water drains and road.
- Increased Flooding: Higher Sea levels exacerbate the risk of flooding, particularly during high tides and storm surges, leading to operational disruptions and increased maintenance costs. This may lead to a significant downtime for revival and smooth operation.

2. Extreme Weather Events:

- Storm Surges: More frequent and severe storms can cause significant damage to port infrastructure, delay shipping schedules, and increase the risk of accidents and cargo loss. In 2020, Karanja Port was impacted severely by cyclone named "Nisarga" which led to financial loss of approximately 0.7 million (₹7 Crore). Similar natural catastrophic situations can be anticipated in future with major financial implication.

- High Winds and Heavy Rainfall: These conditions can disrupt loading and unloading operations, damage cargo, and pose safety risks to port employees/workers. However, this is covered in the Port insurance.

3. Temperature Changes:

- Thermal Expansion: Higher temperatures cause thermal expansion of sea water, contributing to sea level rise, leading to additional maintenance cost.

4. Infrastructure Stress:

- Wear and Tear: Increased exposure to saltwater and extreme weather conditions accelerates the wear and tear on port infrastructure leading to increase in maintenance cost and significant stress to capital cost.

- Adaptation and Resilience Costs: Ports need to invest in resilient infrastructure and adaptive measures, such as raising berth levels in future and improving drainage systems.

Karanja Port has adapted following strategies to mitigate the above anticipated challenges:

1. Infrastructure Upgrade:

- Elevating Structures: Raising the height of berth, ground level of open and covered storage yard and other critical infrastructure can help mitigate the risk of flooding. This will increase the expected lifespan on the project and ROI.

- Storm Surge Drainage: Constructing storm surge drainage can protect Karanja port from water logging or flood caused due to rising sea levels and storm surges.

2. Operational Changes:

- **Flexible Scheduling:** Emergency management plan for such extreme climate changes are already in place in Karanja Port for Implementing flexible scheduling of the operational vessels to compensate the delays caused by extreme weather and can help the port to maintain operational efficiency.

- **Enhanced Monitoring:** The operations team is already vigilant and has adopted advanced weather forecasting and sea level monitoring systems to provide early warnings and improve preparedness for extreme events.

3. Environmental and Regulatory Measures:

- Adopting and complying to Environmental Regulations: Karanja Port is already complying with all the relevant environmental regulations and international guidelines to ensure that ports contribute to global climate mitigation efforts.

- Sustainable Practices: Karanja Port has adopted sustainable practices, such as waste management, water stewardship, efficient use of power, optimum vessel and equipment operations to reduce emissions from port operations to help mitigate the port's environmental footprint.

4. Collaborative Efforts:

- Stakeholder Engagement: Karanja Port promotes involvement of internal and external stakeholders for example improvement of local community by preferring engagement of local contractors and candidates for employment. Out of the total staff strength, the company has employed 34% locals at the port currently and implementing the policies in the benefit of employees.

CONCLUSION

Since Karanja Port is on the frontline of climate change impacts, facing such significant challenges requires immediate and sustained action. MPL board has been in serious discussion internally to address this concern through strategic planning, infrastructure investment, and collaborative efforts. Karanja Port, can enhance its resilience to climate change and ensure the continuity of trade and transportation. Addressing these challenges proactively will be critical in safeguarding the economic and operational stability of the port. However, the Management has secured the port with a full coverage by ensuring the asset to mitigate from all risk of uncertainties and eventualities.

Going Concern

In determining the appropriate basis of preparation of the financial statements for the year ended 31 December 2024, the Directors are required to assess whether the Group has the ability to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Following a detailed review of the Group's financial forecasts, cash flow models and trading position, the Board has concluded that the going concern basis of accounting remains appropriate in preparing these financial statements.

The year under review has been marked by sustained global geopolitical instability, including the ongoing Russia–Ukraine conflict and heightened tensions in the Middle East involving Israel, Palestine, and Lebanon. These developments have disrupted international shipping routes and contributed to elevated freight costs, which have had a direct impact on the Group's financial results for the year ended 31 December 2024.

The Board has assessed the Group's ability to continue in operation for a period of 18 months from the date of approval of the financial statements, through to 30 June 2026. This period of assessment aligns with the Group's internal budgetary process and reflects the seasonal nature of its port operations. In addition, the Directors have also reviewed detailed cash flow forecasts for the 24-month period from 1 January 2025 to 31 December 2026, which further supports the longer-term visibility of liquidity and funding. These forecasts reflect the operational ramp-up expected at Karanja Port which will contribute meaningfully to revenue from 2025 onwards.

As at 31 December 2024, the Group held cash balances of £0.91 million. Since March 2023, however, the Group has been unable to meet its scheduled repayments of principal and interest on its term loan. Appropriate provisions have been recognised in the financial statements in respect of the unpaid amounts. An initial restructuring proposal, agreed in principle by the Group's lenders, could not be concluded favourably. As a result, a revised One Time Settlement (OTS) was formally submitted to the Group's lending consortium which consists of 3 banks, by the Indian subsidiary on 24 March 2025. Sanction has been received from the lead bank of the lending consortium, and approval from the remaining lenders is expected by end June 2025. Until full consent is received, however, there remains significant uncertainty around the timing and success of the OTS implementation.

The Directors have modelled a base case scenario reflecting expected growth in cargo volumes arising from the ramp-up in port activity under newly signed customer contracts. In addition, the Directors have modelled a severe but plausible downside scenario, which assumes a 20%–30% reduction in forecast revenue during the going concern period, and reflects the potential for delays in execution or underperformance of anticipated contracts. Both scenarios incorporate expected cash outflows relating to the OTS settlement, trade creditor payments, and other essential operating costs.

Under the severe downside scenario, a shortfall in available cash resources is projected within the going concern period. To address this risk, the Group has secured a £15.00 million unsecured line of credit from KJS Concrete Private Limited (a Hunch Ventures group company), available until 31 December 2027. This facility is intended to mitigate potential liquidity pressures and ensure continuity of operations even under adverse conditions.

The Directors have also considered other principal risks and uncertainties affecting the business and have performed sensitivity analysis on key assumptions, including revenue growth and cost inflation. As part of this assessment, management has identified mitigating actions under its control, such as extending payment terms with vendors, deferring discretionary expenditure, and maintaining a tight focus on core operational costs.

The Directors have determined that climate change is not expected to have a significant financial impact during the going concern assessment period.

In reaching their conclusion, the Directors have considered the Group's cash flow forecasts, capital requirements, availability of committed funding facilities, and the continued support of key stakeholders including lenders and shareholders. While a material uncertainty exists in relation to the successful conclusion of the OTS proposal, the availability of the committed line of credit and the Group's ability to implement mitigating actions provide a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the Directors consider it appropriate to continue to adopt the going concern basis in preparing these financial statements.

b) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the results of the Company and entities controlled by the Company (its subsidiaries) up to 31 December 2024. Subsidiaries are entities over which the Company has the power to control the financial and operating policies. The Company obtains and exercises control through holding more than half of the voting rights. The financial statements of the subsidiaries are prepared for the same period as the Company using consistent accounting policies. The fiscal year of Karanja Terminal & Logistics Private Limited (KTPL) ends on March 31 and its accounts are adjusted for the same period for consolidation.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interest

Non-controlling interest, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interest.

c) LIST OF SUBSIDIARIES

Details of the Group's subsidiaries which are consolidated into the Company's financial statements are as follows:

Subsidiary	Immediate Parent	Country of Incorporation	% Voting Rights	% Economic Interest
Karanja Terminal & Logistics (Cyprus) Ltd	Mercantile Ports & Logistics Limited	Cyprus	100.00	100.00
Karanja Terminal & Logistics Private Limited*	Mercantile Ports & Logistics Limited	India	8.49	8.49
Karanja Terminal & Logistics Private Limited*	Karanja Terminal & Logistics (Cyprus) Ltd.	India	91.30	91.30

Karanja Terminal & Logistics (Cyprus) Ltd is wholly owned subsidiary of Mercantile Ports and Logistics Limited. Karanja Terminal & Logistics (Cyprus) Ltd holds 91.30% shares, Mercantile Ports & Logistics Limited holds 8.11% shares in Karanja Terminal & Logistics Private Limited and the balance 0.22% (50,000 shares out of 23,321,176) is held by various other minority shareholders.

* Financial year end for Karanja Terminal & Logistics Private Limited ("KTLPL") is April to March, as same is governed by Companies Act 2013, but for preparing group financials we have considered January to December period.

d) FOREIGN CURRENCY TRANSLATION

The consolidated financial statements are presented in UK Sterling (£), which is the Company's functional currency. The functional currency for all of the subsidiaries within the Group is as detailed below:

- Karanja Terminal & Logistics (Cyprus) Ltd ("KTLCL") - Euro
- Karanja Terminal & Logistics Private Limited ("KTLPL") - Indian Rupees

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the date of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation of monetary items denominated in foreign currency at the year-end exchange rates are recognised in the Consolidated Statement of Comprehensive Income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date). In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than GBP are translated into GBP upon consolidation.

On consolidation, the assets and liabilities of foreign operations are translated into GBP at the closing rate at the reporting date. The income and expenses of foreign operations are translated into GBP at the average exchange rates over the reporting period. Foreign currency differences are recognised in other comprehensive income in the translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the translation reserves shall be transferred to the profit or loss in the Consolidated Statement of Comprehensive Income.

e) REVENUE RECOGNITION

Revenue mainly consists of services relating to use of the port by customers and includes services such as hiring of land, wharf-age, hiring of equipment, loading/unloading, stevedoring, storage and from value added activities i.e. trading activities which is incidental to providing port services.

Revenue is measured based on the consideration to which the group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Performance obligations are satisfied on handing over the land and / or equipment to the customer / lessee, completion of loading/unloading, stevedoring services, providing storage facilities and shipment of goods on customers' vehicle.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue as and when performance obligation(s) are satisfied.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative standalone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Contract asset – The Group's recognises contract asset i.e. right to consideration in exchange for goods or services that the Group has transferred to a customer,

Contract liability – The Group's obligation to transfer goods and services to a customer for which the Group has received consideration (or the amount is due) from the customer.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due. Invoicing for services is set out in the contract.

The group does not believe there are elements of financing in the contracts. There are no warranties or guarantees included in the contract.

The specific recognition criteria described below must also be met before revenue is recognised.

Port operation and logistics services

Revenue from port operation services including cargo handling, storage, other ancillary port and logistics services including the end-to-end value-added services with respect to coal supply and delivery are measured based upon cargo handled at rates specified under the contract and charged on per metric ton basis.

The performance obligation is satisfied using the output method; this method recognises revenue based on the value of services transferred to the customer, for example, quantity of cargo loaded and unloaded and/or transported.

Revenue is recognized in the accounting period in which the services are rendered and completed till reporting date. Amounts are invoiced based on the estimated arrival date of the vessel provided by the customer, and revenue recognised when the service is provided.

Management determines if there are separate performance obligations from which customer are being able to benefit from, for example, barging, stevedoring or transportation.

Performance obligations are considered on a contract-by-contract basis against the requirements of IFRS 15. For each service the customer can benefit from the good or service with "resources that are readily available to the customer". The nature of the promise to the customer is considered within the context of the individual customer contract and whether the promise to transfer a combined item of overall port services, which can vary on a per customer basis.

Revenue from sale of traded goods

Revenue from sale of traded goods i.e. coal is recognized on transfer of control to the customers, which is generally on dispatch of goods to the customer. The delivery is handled by the customer and therefore control is deemed to have been transferred to the customer at this point and is invoiced on delivery.

Sales are stated exclusive of Goods and Service Tax ("GST").

Income from long term leases
As a part of its business activity, the Group sub-leases land on a short-term basis to its customers.

The head lease is not a short-term lease and thus the sublease must be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the economic useful life of the underlying asset.

As a part of its business activity, the Group sub-leases land on a short-term basis to its customers. It is concluded that the subleases are an operating lease because none of the indicators for a finance lease in IFRS 16 are present.

The lease income is recognised from the sublease on a straight-line basis over the period of lease / sub-lease agreement / date of memorandum of understanding takes effect over lease period and annual lease rentals are recognised on an accrual basis.

Amounts are invoiced as the service provided, on either a monthly or ad hoc usage basis depending on the customer.

Interest income

Interest income is reported on an accrual basis using the effective interest method.

f) Borrowing cost

Borrowing costs directly attributable to the construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use. Other borrowing costs are expensed in the period in which they are incurred and reported under finance costs.

g) Share based payments

The Group has entered into an equity-settled share-based arrangement with its service provider in 2023.

All services received in exchange for the grant of any share-based payment are measured at the fair value of services received. The service provider is rewarded with share-based payments, the number of shares issued in exchange for the services received based on the fair values of services.

All share-based payments is recognised as an expense in the Statement of Comprehensive Income with a corresponding credit to Share Capital up to the nominal value of the shares issued with any excess being recorded as Share Premium.

h) EMPLOYEE BENEFITS

ii) Defined contribution plan (Provident Fund)

In accordance with Indian Law, eligible employees receive benefit from Provident Fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, which is administrated by the government authorities, each equal to the specific percentage of employee's basic salary. The Group has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Consolidated Statement of Comprehensive Income when incurred.

iii) Defined benefit plan (Gratuity)

In accordance with applicable Indian Law, the Group provides for gratuity, a defined benefit plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Group. The Group's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is a yield at reporting date on risk free government bonds that have maturity dates approximating the term of the Group's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Group recognises all re-measurements of net defined benefit liability/asset directly in other comprehensive income and presents them within equity.

iv) Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

i) Leases

As a lessee

The Company mainly has lease arrangements for converting the waterfront into reclamation of land for construction of Port for terminal and logistics operations. The land thus reclaimed consist of the open space and also offices, warehouse spaces and equipment.

The Group assesses whether a contract contains a lease at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability in the statement of financial position for all lease arrangements where it is the lessee, except for short-term leases with a term of twelve months or less and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the future lease payments from the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, the asset and company specific incremental borrowing rates. Lease liabilities are recognised within borrowings on the statement of financial position. 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 Group re-measures the lease liability, with a corresponding adjustment to the related right-of-use assets, whenever:

- The lease term changes or there is a significant event or change in circumstances resulting in 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;
- The lease payments change due to the changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate;
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

The right-of-use assets are initially recognised on the SOFP at cost, which comprises the amount of the initial measurement of the corresponding lease liability, adjusted for any lease payments made at or prior to the commencement date of the lease, any lease incentive received and any initial direct costs incurred, and expected costs for obligations to dismantle and remove right-of use assets when they are no longer used. Right-of-use assets are recognised within property, plant and equipment on the statement of financial position. Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease over the shorter of the useful life of the right-of-use asset or the end of the lease term.

As a lessor

The Group enters into lease arrangements as a lessor with respect to some of its time charter vessels. Leases for which the Group is an intermediate lessor are classified as finance or operating leases by reference to the right-of-use asset arising from the head lease. Income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Amounts due from lessee under finance leases are recognised as receivables at the amount of the Group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of these leases.

As a lessor the Group classifies its leases as either operating or finance leases. The Group assessed whether it transfers substantially all the risks and rewards of ownership. Those assets that do not transfer substantially all the risks and rewards are classified as operating leases. The Group has currently not entered into any lease that is classified as finance lease.

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless a systematic basis more representative of the pattern in which benefit from the use of the underlying asset is diminished is suitable

j) INCOME TAX

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been substantively enacted by the end of the reporting period.

Deferred tax

The income tax is being accounted under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, we determine deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

Deferred tax assets are recognized to the extent that management believes that these assets are more probable than not to be realized. In making such a determination, it considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If it is determined that it would be able to realize the deferred tax assets in the future in excess of the net recorded amount, the necessary adjustment would be made to the deferred tax asset valuation allowance, which would reduce the provision for income tax.

k) FINANCIAL ASSETS

The Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost
- fair value through profit or loss (“FVTPL”)
- fair value through other comprehensive income (“FVOCI”).

In the periods presented, the corporation does not have any financial assets categorised as FVTPL or FVOCI.

The classification is determined by both:

- the entity’s business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost:

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IFRS 9.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IFRS 9's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

l) FINANCIAL LIABILITIES

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9, the Group's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). In the periods presented, the corporation does not have any financial liabilities categorised as FVTPL or FVOCI.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

m) PROPERTY, PLANT AND EQUIPMENT

MPL's balance sheet contains significant property, plant and equipment, and right-of-use assets primarily comprising of assets relating to port, office, plant and machinery, vehicles and other movable assets. Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

All the expenditures directly attributable in respect of the port and logistics facility under development are carried at historical cost under Capital Work in Progress as the Board believes that these expenses will generate probable future economic benefits. These costs include borrowing cost, professional fees, construction costs and other direct expenditure. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Cost includes expenditures that are directly attributable to the acquisition of the asset and income directly related to testing the facility is offset against the corresponding expenditure. The cost of constructed asset includes the cost of materials, sub-contractors and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Parts of the property, plant and equipment are accounted for as separate items (major components) on the basis of nature of the assets.

The Indian subsidiary has constructed and developed the port which is now fully operational. The basic infrastructure is ready, however, depending on the specification of the customer and cargo dimension, the ground improvement etc. will be carried out and made worthy for operation and once complete will be accordingly transferred from Capital Work-in-Progress to Property, Plant and Equipment when the assets deemed ready to use. Hence, the Group has been prudently transferring the assets to Property, Plant and Equipment on the basis of utilisation of space for operations.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets are recognised in profit or loss within other income or other expenses.

Right-of-use assets:

Right-of-use assets, the cost is equivalent to the present value of the future lease payments relating the leased assets. This note also details nay additions and disposals during the year, and shows depreciation, which is an expense in the income statement to reflect the usage of these assets.

Right of use assets are initially measured at cost, which is an amount equal to the corresponding lease liabilities (present value of future lease payments) adjusted for any lease payments made at or before the commencement date, less any lease incentives received. (See note on lease liabilities accounting policy).

Depreciation is calculated by estimating how many years the asset is expected to be in use, which is also known as the useful economic life (UEL) of the asset. The depreciation charge reduces the initial value of the assets over the time and spread evenly over their UELs. The value after deducting accumulated depreciation is known as the net book value.

No depreciation is charged during the course of construction on the Port Assets. Depreciation is calculated for all other assets to write off the cost or valuation, less residual value, on a straight-line basis over the following expected UELs:

Useful economic lives

The estimated useful lives for the current year are as -

Assets	Estimated Life of assets
Lease hold Land Development	Over the period of Concession Agreement by Maharashtra Maritime board (MMB).
Marine Structure, Dredged Channel	Over the period of Concession Agreement by Maharashtra Maritime board (MMB).
Non-Carpeted Road other than RCC	3 Years
Office equipment	3-5 Years
Computers	2-3 Years
Computer software	5 Years
Plant & machinery	15 Years
Furniture	5-10 Years
Vehicles	5-8 Years

Depreciation methods, useful lives and residual value are reassessed at each reporting date.

Right-of-use assets depreciated over the shorter of the lease period and estimated useful life.

Impairment of Property, Plant and Equipment

Internal and external sources of information are reviewed at the end of the reporting period to identify indications that the property, plant and equipment may be impaired. When impairment indicators exist, Management compares the carrying value of the property, plant and equipment with the fair value determined as the higher of fair value less cost of disposal or value in use, "refer to the Critical Accounting Estimates section before Note 3 to the financial statements"..

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

MPL has a sole Cash Generating Unit (CGU) namely, Karanja Port in India since inception. The Port Assets are reviewed for evidence of a trigger for potential impairment at least annually or whenever events or circumstances indicate that the value on the balance sheet may not be recoverable. Impairment testing is performed on cash generating units (CGUs) which is the Port itself, this being the lowest level of separately identifiable cash flows.

An impairment loss is recognised as follows:

Description	Amount in £ million
Enterprise Value	95.03
Carrying Value of the CGU	(111.19)
Net Enterprise Value (Impairment)	(16.16)

From the above, it is evident that an impairment loss is recognised on the amount by which the asset's net book value exceeds its recoverable amount, the latter being the higher of the asset's fair value less cost to dispose and value in use. Value in use calculation is performed using cash flow projections, discounted at a post-tax rate, which reflects the asset specific risks and the time value of money.

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or impairment losses, if any. Based on the impairment review performed the property, plant and equipment are impaired to the extent of £ 16.16 million, out of which the net impact of £6.77 million which is for the current year as provided in the accounts and as the balance £9.39 million was already been provided in the previous year.
.
When an impairment loss subsequently reverses, the carrying amount of the CGU is increased to the revised estimate of the recoverable amount, but ensuring the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the CGU in prior years. A reversal of an impairment loss is recognised as a credit to the income statement when recovery of performance is considered reasonably certain.

n) Trade receivables and payables

Trade receivables are financial assets at amortised costs, initially measured at the transaction price, which reflects fair value, and subsequently at amortised cost less impairment. In measuring the impairment, the Group has applied the simplified approach to expected credit losses as permitted by IFRS9. Expected credit losses are assessed by considering the Group's historical credit loss experience, factors specific for each receivable, the current economic climate and expected changes in forecasts of future events. Changes if any in expected credit losses are recognised in the Statement of Comprehensive Income.

Trade payables are financial liabilities at amortised cost, measured initially at fair value and subsequently at amortised cost using an effective interest rate method.

o) Advances

Advances paid to the EPC contractor and suppliers for construction of the facility are categorised as advances and will be offset against future work performed by the contractor.

p) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits that can easily be liquidated into known amounts of cash and which are subject to an insignificant risk of changes in value.

q) Share capital and reserves

Shares have ‘no par value’. Stated capital includes any premiums received on issue of share capital.

Any transaction costs associated with the issuing of shares are deducted from stated capital, net of any related income tax benefits.

Foreign currency translation differences are included in the translation reserve. Retained earnings include all current and prior year retained profits.

r) New standard and interpretation

There are no accounting pronouncements, which have become effective from 1 January 2024 that have a significant impact on the Group’s consolidated financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the group.

Following new standards or amendments that are not yet effective and have been issued by the IASB which are not applicable or have material impact on the Group.

- IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 – Climate-related Disclosures

CRITICAL ACCOUNTING ESTIMATE

a) Impairment

In line with the accounting policy, management assessed the value in use of the CGU when testing for impairment. This requires estimation of the present value of future cash flows expected to arise from the continuing operation of the CGU. These estimates require assumptions over various factors, in particular future sales, future margin performance and considering the consolidated costs. Each of these areas are critical in estimating the present value of future cash flows. Were there to be significant changes in these estimations, the amount recognised in respect of impairment during the year could be materially impacted, or impairment charges recognised in previous years may be reversed.

In contrast to past performance, the Indian subsidiary is now confident of ramping up its operations from 2025 onwards, as it managed to sign:

a) Two important and significant contracts with a Major Oil & Gas Company;

b) Shiny Shipping & Logistics Pvt. Ltd. for Edible Oil discharging and distribution;

c) Trial run conducted for Afcons Infrastructure Limited and advanced negotiations are under way to sign a tentative contract which will be for a 24–30-month contract for hiring of land for fabrication and erection of Girders for Revas Port construction, at our Port;

The Directors are optimistic about the business potential at the port for the period 2025 onwards. The capacity utilisation of the port in essence drives the revenue and the EBIDTA generated by MPL through its CGU. The optimum utilisation of the Port capacity is the essence and a driving force which ramps up the revenue as well as the EBIDTA margin of the group. The CGU will be cash positive the moment capacity utilisation crosses more than 50% range. Impairment testing is performed on cash generating units (CGUs) which is the Port itself, this being the lowest level of separately identifiable cash flows.

An impairment loss is recognised as follows:

Description	Amount in £ million
Enterprise Value	95.03
Carrying value of CGU	(111.19)
Net Enterprise Value (Impairment)	(16.16)

Out of £16.16 million, the net impact of £6.77 million which is for the current year as provided in the accounts and as the balance £9.39 million was already been provided in the previous year.

Value in use calculation is performed using cash flow projections, discounted at a pre-tax post IFRS -16 rate, which reflects the asset specific risks and the time value of money.

The impairment review considers the VIU of the CGU compared to the carrying value in the first instance, and subsequently for fair value less cost to dispose if the VIU is lower than the carrying value. The VIU calculation is based on the remaining life of the Port assets i.e. the balance valid lease period using the latest forecast data to adjust the specific cash flows. The recoverable amounts of the impaired CGU are based on the VIU.

The growth rate and operating margins used in the estimate cash flows are based on the current contracts on hand as well as advanced negotiations with the current clients on their expansion of activities at Karanja port as follows:

1) Esquire Contract (Existing Customer):

   a. Increase in the estimated imports of coal for 2024 from 1.5 million MT to 2-2.5 million MT;

   b. Import of Silica Sand /Gypsum

   c. Import of Steel

2) Two contracts signed with one of India's largest Oil & Gas company, summing up to £9.61million (₹105.9 crores) for an initial period of 36 months:

   a. Increasing the number of OSV vessels per month per berth.

   b. Increase the number of dedicated berths from 1 to 2 by 2026;

   c. Discussions underway for use of Karanja Port facilities for Rig repair and maintenance;

   d. Use of Karanja Port facilities by 3rd party vendors/ partners/contractors'/ associates for Oil & Gas sector operations;

   e. Storage and supply of consumables to OSVs;

   f. Supply of bunkers and Water supply to OSVs;

   g. Other allied services.

3) Contract with Shiny Shipping & Logistics Pvt. Ltd. for an initial period of 36 months for discharging and distribution of Edible Oil to local markets with an estimated revenue generation of £1.40 million (₹14.94 crores).

4) Project Cargo (New customer)

The Indian subsidiary is also in advanced negotiations with Afcons Infrastructure Ltd for a space which was earlier occupied by Tata Daewoo Joint Venture, for constructing the new bridge from Uran to Revas Bridge for a period of 24-30 months.

5) Container Handling:

The container handling operations is expected to commence from Mid of 3rd quarter of 2025 which will also significantly contribute to the top line as well as the bottom Line.

The key assumptions used in the VIU calculation are;

- A post-tax discount rate of 14.6% (2023: 13.5%) was calculated using the weighted average cost of capital (WACC). An assessment was made of the risks associated with the cash flows based on the forecast assumptions and a risk adjustment included in the WACC.

- Port utilization estimated to peak at 79% by 2030 (driven by bulk and container cargo). It is important to note that this is a conservative assumption. In the current case, we have remained conservative and assumed peak capacity utilization around 75%.

- The forecast assumes that port utilization will be 17% in 2024, 27% in 2025, 39% in 2026 and 50% in 2027. The expected sales growth as a result of increase in port utilization with a CAGR ranging between from 60% to 70% to 2028 with steady growth of 0-1% per annum thereafter.

Based on the impairment review carried out, the group recognised a net impairment of £ 6.77 million for the year.

In the VIU calculations, no specific impact has been included in respect of climate change as it is not expected to be materially different to the forecast assumptions during the forecast period.

Certain movable assets are expected to be replaced at the end of their UEL by those that have a lower impact on the environment. Cash outflows that are directly associated with CGUs have been included in the discounted cash flow modelling.

Sensitivities in the impairment modelling

The impairment model is prepared on very conservative assumptions. Generally, Ports operate at 100-110% of the installed capacity as peak capacity utilisation. In addition, ramp up in capacity utilisation is steep preponing cash flows at higher or peak capacity utilisation.

In case of MPL, not only the ramp up in capacity utilisation is assumed to be steady, but also the peak capacity utilisation is taken at 96% instead of 110% in the impairment model. To add to the conservative assumptions, the tariff revenue on handling per MT of cargo is also assumed to be in proportion with the G&A expenses on a year on year basis.

However, the below sensitivity analysis reflects a reasonably plausible alternative scenario for impairment evaluation.

Sensitivity Adjustment	Net Impairment Impact £ in million	
Decrease in port utilisation by 2%	Additional Charge	-£3.67
Increase in port utilisation by 2%	Additional Release	£3.67
EBITDA decreased by 2%	Additional Charge	-£0.00
EBITDA increased by 2%	Additional Release	£0.00
G&A increased by 5%	Additional Charge	-£0.00
G&A decreased by 5%	Additional Release	£0.00
WACC increased by 50 bps	Additional Charge	-£3.89
WACC decreased by 50 bps	Additional Release	£3.89

The management exercised a sensitivity analysis on the financial model for the immediate future to ascertain the impact of increase/ decrease under various heads in the model:

i. Port Capacity utilization:

Increase: Catalyst drivers for Revenues are majorly the Bulk Cargo and Container Cargo. Any increase in traffic at the Port will enhance the Port utilization, which will contribute to the improvement of business performance and thus release the charge on the impaired asset.

Decrease: Decrease in the Port Utilization capacity due to climate conditions, deferment of operations may adversely impact and thus increase the charge of impairment on the asset.

ii. General & Administration Expense:

Increase: Major Cost contributing to G&A are the Cost of Personnel, Insurance, Professional Fees and Travel. The increase is cost depends on the economic situation and changes considering the inflation, beyond the assumed rate. This would further impair the asset proportionately.

Decrease: Any reduction due to better negotiations on the Insurance, Professional fees, Travel rates, would reduce the impact of impairment on the asset.

iii. EBIDTA:

Increase: Revenue generated from land rentals, which is 100% margin business, will directly reduce & release the charge on the impairment of the asset and improve the EBIDTA margin.

Decrease: Increase in cost of operations such as equipment hire, stevedoring etc cost, if hiked, then would adversely impact the EBIDTA margin and would contribute and increase the impairment of asset.

iv. Weighted Average Cost of Capital (WACC):

Increase: Increase in the WACC by 50 basis point will also contribute to additional charge on the impaired asset. This may occur if the Reserve Bank increases the REPO rate which will have direct impact on the rate of interest on the term debt.

Decrease: a decrease in the WACC by 50 basis point will release and reduce the charge on the impaired asset. This again depends solely on the market condition and Reserve bank policy.

b) Recognition of income tax assets in respect of tax

MPL group's Indian subsidiary had filed a writ petition in Hon'ble High court for seeking relief against the order passed by the Income Tax Appellate Tribunal (ITAT) for the two assessment years 2011- 12 and 2012-13, which was decided in favour of the group's Indian subsidiary. Therefore, the major portion of the tax pertains to the amounts paid under protest for the Assessment Year (AY) 2011- 2012 (£0.45 million) and AY 2012-13 (£1.47 million). These amounts were deposited as a precondition for filing appeals with the Income-tax authorities for these years.

The Principal Commissioner of Income Tax (Appeals) vide its order dated 20th March, 2023, issued an order in favour of the Group's subsidiary for the assessment years 2011-12 and 2012-13. In January, 2025, the Indian subsidiary received partial refund of Cir.£1million (₹10.19 crores) out of the Total refund due of £2.70 million (₹28.84 crores). The balance is expected to be released by first half of 2025. In addition, during the year 2024, the subsidiary also received refund of £0.02 million (₹1.45 crores).

Since the Income tax department has preferred an appeal in Supreme Court and in light of the uncertainty of the final outcome, there remains a risk over the amount recognised. However, the chances of appeal are considered remote and as such, on the basis of highly probable an asset was recognised in respect of the amount receivable.

As per these orders, the matter was sent back to the files of Principal Commissioner of Income Tax (Appeals) for re-adjudication following the ITAT orders for assessment years 2013-14 to 2015-16. The status of open litigations for AY 2013-14 to AY 2015-16 remain unchanged during FY 2024 i.e., the matter is yet to be adjudicated and the outcome of appeal before Hon'ble Bombay High Court is pending.

3. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors are the Chief operating decision maker. The Group has only one operating and geographic segment, being the project on hand in India and hence no separate segmental report presented.

4. REVENUE FROM OPERATION

	Year ended 31 Dec 24	Year ended 31 Dec 23
Sale of goods	1,410	1,456
Cargo handling income	2,178	1,683
Lease income	408	1,188
Other operating income	357	1,135
	4,352	**5,462**

Revenue from Sale of goods is "Point in time" and other revenue heads are "Over the time". Other operating income relates to income from dredging, coal handling and distribution income and wharf age.

Certain portions of the port have been designated for leasing portions. The lease has been classified as operating lease because it does not transfer substantially all the risks and rewards incident to ownership and it does not fulfil other conditions mentioned in IFRS 16 applicable to be classified as finance lease.

The major customer for sale of goods is Radha Krishna Trading Company, followed by Shree Shakti Coal Corporation.

Significant contributors to the Cargo Handling Income is Esquire Shipping & Trading Pvt. Ltd.

Nationwide Shipping Services, a registered vendor of Largest Oil & Gas company has contributed to the Offshore Supply Vessels (OSVs) operations at Karanja Port. As at the end of December2024, the total number of OSV vessels handled at Karanja Port is 88 Vessels since January 2024. Currently the Major Contributor to Lease Income is Esquire Shipping & Trading Pvt. Ltd.

The total future minimum lease rentals receivable at the SOFP date is as under:

Payments falling due	As on 31 Dec 24 INR in million	As on 31 Dec 24 £ million
2025	19.83	0.19
2026	19.83	0.19
2027	19.83	0.19
2028	19.83	0.19
Fifth year and above	39.66	0.37
Total	**118.99**	**1.11**

5. COST OF SALES

	Year ended 31 Dec 24	Year ended 31 Dec 23
Wharf-age expense	412	479
Other operating expense	2,171	1,919
Changes in inventory	(253)	19
	2,330	**2,417**

6. ADMINISTRATIVE EXPENSES

	Year ended 31 Dec 24	Year ended 31 Dec 23
Employee costs	518	556
Directors' remuneration and fees	302	281
Foreign exchange loss	7	(3)
Provision for doubtful debts	26	--
Other administration costs	1,988	2,432
	2,841	**3,266**

7. (a) FINANCE INCOME

	Year ended 31 Dec 24	Year ended 31 Dec 23
Interest on bank deposits	**34**	**25**

Management has tested the OTR for debt modification under IFRS 9. The revised cash out flow discounted at original EIR 13.45% resulted in net gain of £5.41 million and was affected accordingly in 2021. The recognized gain is spread over the remaining term of the modified debt using the effective interest method, and therefore has been considered in the 2024 financials.

7. (b) FINANCE EXPENSES

	Year ended 31 Dec 24	Year ended 31 Dec 23
Interest on term loan	5,432	4,398
Interest others	1,859	1,827
	7,291	**6,225**

With regard to interest on term loan of £ 5.43 million, the actual interest paid during the period is Nil (£ 1.54 million- 2023).

The Indian subsidiary has submitted a proposal for One Time Settlement closer to the book value of total debt for consideration which is under process. Currently the Principal Term Loan repayment and interest accrued thereon are unpaid since March 2023 till date.

8. INCOME TAX

	Year ended 31 Dec 24	Year ended 31 Dec 23
Loss Before Tax	(18,667)	(21,265)
Applicable tax rate in India*	26.00%	26.00%
Expected tax credit	(4,853)	(5,529)
Reconciling items		
Non-deductible losses of MPL and Cyprus entities	308	378
Un-recognised deferred tax asset on tax losses	4,545	5,151
	--	--

* Considering that the Group's operations are presently based in India, the effective tax rate of the Group of 26% (prior year 26%) has been computed based on the current tax rates prevailing in India. In India, income earned from all sources (including interest income) are taxable at the prevailing tax rate unless exempted. However, administrative expenses are treated as non-deductible expenses until commencement of operations.

MPL group's Indian subsidiary had filed a writ petition in Hon'ble High court for seeking relief against the order passed by the Income Tax Appellate Tribunal (ITAT) for the two assessment years 2011-12 and 2012-13, which was decided in favour of the group's Indian subsidiary. Therefore, the major portion of the tax pertains to the amounts paid under protest for the Assessment Year (AY) 2011-2012 (£0.45 million) and AY 2012-13 (£1.47 million). These amounts were deposited as a precondition for filing appeals with the Income-tax authorities for these years.

The Principal Commissioner of Income Tax (Appeals) vide its order dated 20th March, 2023, issued an order in favour of the Group's subsidiary for the assessment years 2011-12 and 2012-13. As such, as a result of a tax previous paid in respect of 2011-12 and 2012-13 is expected to be returned to the Indian subsidiary and as such an asset has been recognised of £2.1m. Since the Income tax department has preferred an appeal in Supreme Court and in light of the uncertainty of the final outcome, there remains a risk over the amount recognised and as such there was judgement taken that the amount was expected to be recovered.

As per these orders, the matter was sent back to the files of Principal Commissioner of Income Tax (Appeals) for re-adjudication following the ITAT orders for assessment years 2013-14 to 2015-16. The status of open litigations for AY 2013-14 to AY 2015-16 remain unchanged during FY 2024-25 i.e., the matter is yet to be adjudicated and the outcome of appeal before Hon'ble Bombay High Court is pending. As such a contingent liability continues to be recognised in respect of amounts potentially due.

The Indian Subsidiary has received the refund order u/s. 264 read with section 260 of the Income Tax Act for the assessment year 2011-12 as well as 2024-25 vide the order dated 20 June 2023 totaling to £2.97 million (₹.31.52 crores).

Since the Income tax department has preferred an appeal in Supreme Court and in light of the uncertainty of the final outcome, the Group has disclosed the same under the head of contingent liability in note no 25.

The Company is incorporated in Guernsey under The Companies (Guernsey) Law 2008, as amended. The Guernsey tax rate for companies is 0%. The rate of withholding tax on dividend payments to non-residents by companies within the 0% corporate income tax regime is also 0%. Accordingly, the Company will have no liability to Guernsey income tax on its income and there will be no requirement to deduct withholding tax from payments of dividends to non-resident shareholders.

In Cyprus, the tax rate for companies is 12.5% with effect from 1 January 2014. There is no tax expense in Cyprus.

As at 31st December 2024 due to uncertainty that Indian entity will generate sufficient future taxable income to offset business losses incurred to realise deferred tax assets, the management has not recognised the Deferred Tax Asset amounting to (£ 11.15 million) (Gross tax losses: £ 24.02 million) (2023- (£ 5.43 million). (Gross tax losses: £ 20.9 million).

	Year ended 2024	Year ended 2023
Deferred tax liabilities	(307)	(1,886)
Offset against deferred tax assets	307	1,886
Deferred tax liabilities	--	--

As a result of amendments to IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' deferred tax has been recognised in respect of IFRS 16 leases. In applying the standard at the beginning of the earliest comparative period presented, a deferred tax asset has been recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised resulting in an amendment to the amounts recognised at 31st December 2024.

9. AUDITORS' REMUNERATION

The following are the details of fees paid to the auditors, McMillan Woods Audits Limited and Indian auditors, in various capacities for the year:

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Audit Fees		
Audit fees payable to McMillan Woods Audits Limited for the Group accounts audit *	85	184
Audit fees payable to auditors of subsidiary companies **	8	7
Non-audit service:		
Interim Financial Statement Review	5	5
	98	196

* Audit Fees for MPL includes the additional fees charged during 2023 by Grant Thornton UK LLP in respect of the prior year audit aggregating to £ 15,000 (2022: £ 30,000).

** Audit fees for the Subsidiary companies for the year 2024: –
Indian entity is £.6542
Cyprus entity is £.1893
Total £.8435

10. EARNINGS PER SHARE

Both basic and diluted earnings per share for the year ended 31 December 2024 have been calculated using the loss attributable to equity holders of the Group of £18.63 million (prior year loss of £21.22 million).

	Year ended 31 Dec 24	Year ended 31 Dec 23
Loss attributable to equity holders of the parent	£ (18,629,522)	£ (21,221,801)
Weighted average number of shares used in basic and diluted earnings per share	356,312,692	201,581,972
EARNINGS PER SHARE		
Basic and Diluted earnings per share	(0.052p)	(0.105p)

The group has successfully completed fund raise by private placement of 301,479,660 and 13,333,333 new Ordinary Shares on 28 June 2023 and 31 July 2023 respectively at a price of 0.03 pence per share.

11 (a). PROPERTY, PLANT AND EQUIPMENT

Details of the Group's property, plant and equipment and their carrying amounts are as follows:

	Computers	Office Equipment	Furniture	Vehicles	Plant & Machinery	Port Asset	Right of use Asset	Capital Work in Progress	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Gross carrying amount									
Balance 1 Jan 2024	47	579	434	569	59	104,171	1,659	24,057	131,575
Net Exchange Difference	(1)	7	(87)	(7)	(1)	(1,63838)	(21)	261	(1,487)
Additions	2	9	--	--	23	8,333	--	639	9,007
Transfers from CWIP ^	--	--	--	--	--	--	--	(8,335)	(8,335)
Disposals	--	--	--	(35)	--	--	(20)	--	(55)
Balance 31 Dec 2024	**48**	**595**	**347**	**527**	**81**	**110,867**	**1,618**	**16,622**	**130,705**
Depreciation									
Balance 1 Jan 2024	(41)	(320)	(122)	(420)	(12)	(24,902)	(403)	--	(26,220)
Net Exchange Difference	1	(9)	4	5	--	449	11	--	461
Charge for the year	(3)	(106)	(29)	(28)	(4)	(4,475)	(66)	--	(4,711)
Disposals	--	1	--	32	--	--	18	--	50
Impairment	--	--	--	--	--	(6,742)	--	--	(6,742)
Balance 31 Dec 2024	**(44)**	**(435)**	**(146)**	**(412)**	**(16)**	**(35,670)**	**(440)**	**--**	**(37,162)**
Carrying amount 31 Dec 2024	**4**	**160**	**201**	**115**	**65**	**75,197**	**1,178**	**16,622**	**93543**

Group has leased various assets including land and buildings. As at 31 December 2024, the net book value of recognised right-of use assets relating to land and buildings was £ 1.18 million (2023: £ 1.26 million). The depreciation charge for the period relating to those assets was £ 0.03 million (2023: £ 0.18 million)

Amounts recognised in the statement of income are detailed below:

Particular	£000 31 Dec 2024	£000 31 Dec 2023
Depreciation on right-of-use assets	66	177
Interest expense on lease liabilities	161	173
Expense relating to short-term leases	--	--
	227	**350**

	Computers £000	Office Equipment £000	Furniture £000	Vehicles £000	Plant & Machinery £000	Port Asset £000	Right of use Asset £000	Capital Work in Progress £000	Total £000
Gross carrying amount									
Balance 1 Jan 2023	49	570	472	626	63	110,533	2,035	24,894	139,242
Net Exchange Difference	(3)	(34)	(91)	(38)	(4)	(6,463)	(123)	(1,497)	(8,253)
Additions	1	46	53	5	--	101	--	724	930
Transfers from CWIP ^	--	--	--	--	--	--	--	(64)	(64)
Disposals	--	(3)	--	(24)	--	--	(253)	--	(280)
Balance 31 Dec 2023	**47**	**579**	**434**	**569**	**59**	**104,171**	**1,659**	**24,057**	**131,575**
Depreciation									
Balance 1 Jan 2023	(41)	(227)	(114)	(412)	(8)	(10,468)	(589)	--	(11,859)
Net Exchange Difference	3	17	19	26	--	616	110	--	791
Charge for the year	(3)	(111)	(27)	(47)	(4)	(5,197)	(177)	--	(5,566)
Disposals	--	1	--	13	--	--	253	--	267
Impairment	--	--	--	--	--	(9,853)	--	--	(9,853)
Balance 31 Dec 2023	**(41)**	**(320)**	**(122)**	**(420)**	**(12)**	**(24,902)**	**(403)**	**--**	**(26,220)**
Carrying amount 31 Dec 2023	**6**	**259**	**312**	**149**	**47**	**79,269**	**1,256**	**24,057**	**105,355**

The Group has leased various assets including land and buildings. As at 31 December 2023, the net book value of recognised right-of use assets relating to land and buildings was £ 1.26 million (2022: £ 1.45 million). The depreciation charge for the period relating to those assets was £ 0.18 million (2022: £ 0.26 million).

Movable Assets taken against loan provided as security

- The following asset are provided as security for lease liability payable as described in Note 20:

	31 Dec 24 £000	31 Dec 23 £000
Vehicles	115	150
	115	**150**

The vehicles, which are free from encumbrances, will also form as a subservient charge of hypothecation towards securitisation of debt.

All other immovable and movable property with a carrying value of £ 93,895,239 (2023: £105,268,233) is under hypothecation in favour of the "Term lenders".

The Port facility being developed in India has been hypothecated by the Indian subsidiary as security for the bank borrowings (revised outstanding as at 31st December 2024 as against the borrowing limit sanctioned in 2021 as per OTR is INR 460 crore [£ 42.80 million] (2023: INR 460 crore (£43.36 million)) for part financing the build out of the facility.

The Indian subsidiary has estimated the total project cost of INR 1,404 crore (£138.10 million) towards construction of the port facility. Out of the aforesaid project cost, the contract signed with the major contractor is INR 1,049 crores (£105.21 million). As of 31 December 2024, the contractual amount (net of advances) of INR 48.03 crores (£4.82 million) work is unexecuted. There were no other material contractual commitments.

11 (b). INTANGIBLE ASSET

	Intangible Asset – Software £000
Gross carrying amount	
Balance 1 Jan 2024	96
Exchange Difference	(1)
Additions	--
Transfers from CWIP ^	--
Disposals	--
Balance 31 Dec 2024	**95**
Depreciation	
Balance 1 Jan 2024	(33)
Exchange Difference	--
Charge for the year	(29)
Disposals	--
Balance 31 Dec 2024	**(62)**
Carrying amount 31 Dec 2024	**33**

	Intangible Asset – Software £000
Gross carrying amount	
Balance 1 Jan 2023	33
Exchange Difference	(1)
Additions	--
Transfers from CWIP ^	64
Disposals	--
Balance 31 Dec 2023	**96**
Depreciation	
Balance 1 Jan 2023	(19)
Exchange Difference	1
Charge for the year	(15)
Disposals	--
Balance 31 Dec 2023	**(33)**
Carrying amount 31 Dec 2023	**63**

12. TRADE AND OTHER RECEIVABLES

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Deposits	805	1,043
Advances		
- Related Party	3,823	4,113
- Others	6,142	9,297
Accrued Interest of fixed deposits	6	3
Debtors		
- Related Party	--	--
- Prepayment	45	95
- Trade Debtors	2,502	1,788
Less: Provision for doubtful debts	(26)	--
	13,296	**16,339**

Advances include payment to EPC contractor of £ Nil (2023: £ 6.16 million) towards mobilisation advances and quarry development. These advances will either be recovered as a deduction from the invoices being raised by the contractor over the contract period or refunded.

'Advances to Related Party' include receivables towards share application money of £ 3.82 million (Dec 2023: £ 4.11 million).

'Break down of Trade Debtors:
£ 1.84 million (2023: £ 1.32 million) receivable from the single major customer, which includes £0.03 million (2023: £ 0.02 million) which is past due for 180 days' (2023: 30 days') management estimate that amount is fully realisable however, provision of £ 0.03 million (2023: Nil) for expected credit loss is made for the same amount.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivable. To measure expected credit losses on a collective basis, trade and other receivables are grouped based on similar credit risk and aging. The assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses experienced. The historical loss rates are then adjusted to reflect current and forward-looking information, any known legal and specific economic factors, including the credit worthiness and ability of the customer to settle the receivables.

The Group renegotiations or modifications of contractual cash flows of a financial asset, which results in de-recognition, the revised instruments are treated as a new or else the group recalculates the gross carrying amount of the financial asset.

13. INVESTMENTS

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Deposits*	180	173
	180	**173**

*Deposits are placed under lien against Bank Guarantees issued by bank on behalf of the group to various Government Authorities and the Debt Service Reserve (DSR) as per the loan agreement with lenders. The fair value of short-term deposits is £ 0.18 million (2023: £ 0.17 million).

14. CASH AND CASH EQUIVALENTS

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Cash at bank and in hand	911	2,881
	911	**2,881**

Cash at bank earns interest at floating rates based on bank deposit rates. The fair value of cash at bank and in hand is £ 0.91 million (2023: £ 2.88 million).

Included in cash and cash equivalents is £ 0.28 million (2023: £ 0.71 million) that is within a bank account in the name of Hunch Ventures (Karanja), as a result of the 2018 and 2021 share sale. The Company is the beneficiary of the account. During the year, we have been able to draw money out of this account to cover working capital throughout the year.

15. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Board of Directors carries out risk management.

(a)Market Risk

(i)Translation risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market foreign exchange rates. The Company's functional and presentation currency is the UK Sterling (£). The functional currency of its subsidiary Karanja Terminal & Logistics Private Limited (KTLPL) is INR and functional currency of Karanja Terminal & Logistics (Cyprus) Ltd. is Euro.

The exchange difference arising due to variances on translating a foreign operation into the presentation currency results in a translation risk. These exchange differences are recognised in other comprehensive income. As a result, the profit, assets and liabilities of this entity must be converted to GBP in order to bring the results into the consolidated financial statements. The exchange differences resulting from converting the profit and loss account at average rate and the assets and liabilities at closing rate are transferred to the translation reserve.

While consolidating the Indian subsidiary accounts the group has taken closing rate of GBP 1: INR 107.4645 for SOFP items and for profit and loss item GBP 1: INR 106.9890.

This balance is cumulatively a £ 31.93 million losses to equity (2023: £ 31.44 million loss). This is primarily due to a movement from approximately 1:70 to 1:100 between 2010 to 2013 and the translation reserve reaching a loss of £ 21.6 million at 31 December 2013 and further increase in translation reserve from £ 21.6million to £ 31.93 million due to appreciation of GBP against INR during the period 2018 to 2024. The closing rate at 31 December 2024 was GBP1: INR 107.4645, hence as compared to the translation loss reported between 2018-19, the same is insignificant in 2024. With the majority of funding now in India this risk is further mitigated. During 2024, the average and year-end spot rate used for INR to GBP were 106.9890 and 107.4645 respectively (2023: 102.7267 and 106.1053).

Translation risk sensitivity

The foreign currency risk management are referring to is the translation of the Indian subsidiary from INR to GBP, which impacts on the translation reserve through OCI. As such this is not considered relevant to the disclosure requirements of IFRS 7.

The amounts included in KTPL are all denominated in INR (including the loan) which is disclosed as the functional currency and the amounts in MPL parent in GBP which is disclosed. As such there isn't considered to be any material foreign currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The base rate set by the bank may be changed periodically as per the discretion of the bank in line with Reserve Bank of India (RBI) guidelines. Based on the current economic outlook and RBI Guidance, management expects the Indian economy to enter a lower interest rate regime as moderating inflation will enable RBI and the banks to lower the base rate in the near future.

Interest rate sensitivity

At 31 December 2024, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The exposure to interest rates for the Group's money market funds is considered immaterial.

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates of +/- 1% (2022: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Year	Profit for the Year £000		Equity, net of tax £000	
	+1%	-1%	+1%	-1%
31 December 2024	(622)	622	(460)	460

(b) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group's maximum exposure (£ 7.58 million (2023: £ 9.16 million)) to credit risk is limited to the carrying amount of financial assets recognised at the reporting date.

The Group determines credit risk by checking a company's creditworthiness and financial strength both before commencing trade and during the business relationship at initial recognition and subsequently. Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

The Group's policy is to deal only with creditworthy counterparties. The Group has no significant concentrations of credit risk.

The Group considers default to be when there is a breach of any of the terms of agreement.

The Group writes off a financial asset when there is no realistic prospect of recovery and all attempts to recover the balance have been exhausted. An indication that all credit control activities have been exhausted and where the asset due is greater than 365 days old or where there are insolvency issues relating to the trade and other receivables.

The Group does not concentrate any of its deposits in one bank. This is seen as being prudent and credit risk is managed by the management having conducted its own due diligence. The balances held with banks are on a short-term basis. Management reviews quarterly bank counter-party risk on an on-going basis.

(c) Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its financial obligations. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities.

The current term loan availed by the Indian subsidiary, a proposal for restructuring submitted in February 2023, could not be concluded favourably and hence the Indian subsidiary made revised proposal for One Time Settlement in March, 2025 and is under consideration at the Head office of the lead lender.

The Group is in an advanced stage of negotiation with the current consortium of lenders and is confident of obtaining a favourable response from the lenders shortly.

The Group's objective is to maintain cash and demand deposits to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for build out of the port facility is secured by sufficient equity, sanctioned credit facilities from lenders and the ability to raise additional funds due to headroom in the capital structure.

The Group manages its liquidity needs by monitoring scheduled contractual payments for build out of the port facility as well as forecast cash inflows and outflows due in day-to-day business. Liquidity needs are monitored and reviewed by the management on a regular basis. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

Comparative working of the Group's non-derivative financial liabilities have contractual maturities (and interest payments) as summarized below:

As at 31 December 2024:

	Principal payments		Interest payments	
Payment falling due	INR in Crore	£000	INR in Crore	£000
Within 1 year	127	11,851	187	17,380
1 to 5 years	306	28,461	67	6,210
After 5 years	--	--	--	--
Total	**433**	**40,312**	**254**	**23,590**

The above table represents the current loan which is active and does not include the impact of the re-structuring proposal under consideration.

The present composite rate of interest ranges from 8.00% to 11.50% and closing exchange rate has been considered for the above analysis.

In addition, the Group's liquidity management policy involves considering the level of liquid assets necessary to meet the funding requirement; monitoring SOFP liquidity ratio against internal requirements and maintaining debt financing plans. The current debt equity ratio with the lenders is 0.92:1.

As a part of monitoring SOFP liquidity ratio, management monitors the debt-to-equity ratio and has specified optimal level for debt-to-equity ratio of 1:1.

As at 31 December 2023:

	Principal payments		Interest payments	
Payment falling due	INR in Crore	£000	INR in Crore	£000
Within 1 year	70	6,584	76	7,186
1 to 5 years	316	29,794	99	9,370
After 5 years	37	3,512	4	338
Total	**423**	**39,890**	**179**	**16,894**

The present composite rate of interest ranges from 8.00% to 11.50% and closing exchange rate has been considered for the above analysis.

In addition, the Group's major stake holder – Hunch Ventures has taken the initiative of arranging the funds to cater to the One Time Settlement proposal underway with the Lenders to the Indian subsidiary. Furthermore, there is a credit line facility of £15.00 million also made available by Hunch Ventures to the Indian subsidiary to mitigate any liquidity shortfall.

The current debt equity ratio with the lenders is 0.92: 1.

As a part of monitoring SOFP liquidity ratio, management monitors the debt-to-equity ratio and has specified optimal level for debt-to-equity ratio of 1:1.

Financial Instruments

Fair Values

The different levels per the IFRS 13: Fair Value Measurement fair value hierarchy have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

Set out below is a comparison by category of carrying amounts and fair values of the entire Group's financial instruments that are carried in the financial statements.

	Note	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Financial Assets at Amortised Cost			
Trade and other receivables	12	6,492	6,102
Investments	13	180	173
Cash and cash equivalents	14	911	2,881
		7,583	9,156
Financial Liability at Amortised Cost			
Borrowings	19	50,498	47,071
Trade and other payables	20	4,048	4,131
Lease liabilities	20	1,796	1,792
		56,342	**52,994**

All the financial assets and financial liabilities are considered to be level 1, except for borrowings which are level 2.

The fair value of the Group's financial assets and financial liabilities significantly approximate their carrying amount as at the reporting date.

The carrying amount of financial assets and financial liabilities are measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Maturity profile of financial liabilities

The table below presents the maturity profile of the Group's financial liabilities using the contractual undiscounted cash flows.

	Within 1 year £ 000	1-2 years £ 000	2-5 years £ 000	More than 5 years £ 000	Total £000
As at 31 December 2024					
Borrowings	22,037	7,223	21,238	--	50,498
Interest on borrowings	17,380	2,723	3,486	--	23,589
Trade and other payables	4,048	--	--	--	4,048
Lease liabilities (including vehicle loan)	590	188	492	526	1,796
As at 31 December 2023					
Borrowings	10,672	5,419	27,886	3,094	47,071
Interest on borrowings	7,186	3,419	5,951	338	16,894
Trade and other payables	4,131	--	--	--	4,131
Lease liabilities (including vehicle loan)	507	232	527	5,060	6,326

16. EQUITY

16.1 Issued Capital

The share capital of MPL consists only of fully paid ordinary shares of no-par value. The total number of issued and fully paid-up shares of the Company as on each reporting date is summarised as follows:

Particulars	Year ended 31 December 24		Year ended 31 December 23	
	No of shares	£000	No of shares	£000
Shares issues and fully paid: Beginning of the year	356,312,692	152,354	41,499,699	143,851
Addition in the year#	--	--	314,812,993	9,444
Share issue cost	--	--	--	(941)
Closing number of shares	356,312,692	152,354	356,312,692	152,354

The issued capital amounts to £152.35 million (2023: £152.35 million) after reduction of share issue costs. Holders of the ordinary shares are entitled to receive dividends and other distributions and to attend and vote at any general meeting. During the year the Company has allotted Nil (2023: 314.81 million) equity shares to various institutional and private investors, by way of a rights issue.

The Company has recognized the services received in a share-based payment transaction when the services are received in accordance with IFRS 2 – Share-based payment in year 2023.

Shares issued during the previous year includes 13,359,166 for value shares £ 400,775 issued to Cavendish Financial PLC (erstwhile known as Cenkos Securities PLC) as the consideration for the fair value of services rendered pertaining to private placement of shares.

The transaction costs are incremental costs directly attributable to the equity transaction that otherwise would have been avoided and have therefore been accounted for as a deduction from equity.

16.2 Other Components of Equity

Retained Earnings

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Opening Balance	(47,217)	(26,022)
Addition during the year	(18,630)	(21,222)
Re-measurement of net defined benefit liability	1	27
Closing balance	(65,846)	(47,217)

Accumulated losses of £ 65.85 million (2023: £ 47.22 million) include all current year retained profits.

Translation Reserve

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Opening Balance	(31,444)	(26,429)
Addition during the year	(460)	(5,015)
Closing balance	(31,904)	(31,444)

The translation reserve of £ 31.90 million (2023: £ 31.44 million) is on account of exchange differences relating to the translation of the net assets of the Group's foreign operations which relate to subsidiaries, from their functional currency into the Group's presentational currency being Sterling.

17. EMPLOYEE BENEFIT OBLIGATIONS

Non- Current	31 Dec 24 £000	31 Dec 23 £000
Pensions – defined benefit plans	42	35
	42	35
Current		
Wages, salaries	250	267
Pensions – defined benefit plans	9	9
	259	276

18. BORROWINGS

Borrowings consist of the following:

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Non-Current		
Bank loan (refer note 27)	28,461	33,305
Loan from others *	--	3,094
	28,461	**36,399**
Current		
Bank loan (refer note 27)	11,851	6,584
Interest payable	10,186	4,088
	22,037	**10,672**

Borrowing

The term loan facility currently is as per existing sanction which was issued on 10 June 2021 against which the quarterly principal repayments for the entire 2023 is overdue, and the interest on these facilities is overdue from March 2023 till December 2024. The interest rate on term loan is 10.55%, on FITL is 11.55% and GECL is 8%.

The restructuring proposal submitted to the consortium of lenders in February 2023 was not concluded in favour of the Indian Subsidiary, as communicated in August 2024. In accordance with the lenders' credit assessment, the loan account was subject to a downgrade in classification, retrospectively applied from 11th June 2021.

MPL board along with the Indian subsidiary have submitted a proposal for One Time Settlement closer to the book value of the total debt.

* Loan from others: This amount pertains to unsecured loan from Grevek Investments & Finance Pvt. Ltd.

19 (a). CURRENT TAX ASSETS

	31 Dec 24 £000	31 Dec 23 £000
Income tax *	2,879	2,114
Current tax assets	**2,879**	**2,114**

The income tax pertains to self -assessment tax as well as withholding taxes paid for the assessment years 2011-12 to 2024-25.

The Indian subsidiary has received the refund order for the Assessment years 2011-12 as well as 2012-13 and is expected to be transferred to the bank account shortly.

(Refer Note 25 for disclosure of Contingent liabilities in respect of these matters)

19 (b). CURRENT TAX LIABILITIES

Current tax liabilities consist of the following:

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Duties & taxes	17	61
Current tax liabilities	**17**	**61**

The Group recognises liabilities for anticipated tax issues based on assessment of whether additional taxes will be due, and whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing.

Where the outcome of assessment by the Income Tax department on these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions in the period in which such determination is made. The Group discharges the tax liability based on income tax assessment.

Based on the judgements passed by Income Tax Tribunal in favour of the Indian Subsidiary for the assessment years 2013-14 to 2015-16, the Commissioner of Income Tax - CIT-(A) has relied upon the ITAT judgement and issued order in favour of the Indian subsidiary for the assessment years 2011-12 and 2012-13 as well.

20. TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	Year ended 31 Dec 23 £000	Year ended 31 Dec 23 £000
Non-Current		
Lease liability (refer note 27)	1,206	1,457
Current		
Lease Liability – (refer note 27)	590	335
Trade creditors	4,048	4,131
	4,048	**4,131**

Future minimum lease payments at 31 December 2024 were as follows -

	Minimum lease payments due in £000						
	Within 1 year	1 – 2 Year	2 – 3 Year	3 – 4 Year	4 – 5 Year	After 5 Year	Total
Lease payments	753	188	174	159	159	4,551	5,984
Finance charges	(163)	(159)	(155)	(155)	(154)	(3,402)	(4,188)
Net present values	**590**	**29**	**19**	**4**	**5**	**1,149**	**1,796**

Future minimum lease payments at 31 December 2023 were as follows -

	Minimum lease payments due in £000						
	Within 1 year	1 – 2 Year	2 – 3 Year	3 – 4 Year	4 – 5 Year	After 5 Year	Total
Lease payments	507	232	190	176	161	5,060	6,326
Finance charges	(172)	(165)	(161)	(158)	(157)	(3,721)	(4,534)
Net present values	**335**	**67**	**29**	**18**	**4**	**1,339**	**1,792**

21. RELATED PARTY TRANSACTIONS

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed in the following table:

Name	Country of Incorporation	Field Activity	Ownership Interest	Type of share Held
HELD BY The Company (MPL):				
Karanja Terminal & Logistics (Cyprus) Ltd.	Cyprus	Holding Company	100%	Ordinary
Karanja Terminal & Logistics Private Ltd.	India	Operating company - Terminal Project	8.49%	Ordinary
HELD BY Karanja Terminal & Logistics (Cyprus) Ltd:				
Karanja Terminal & Logistics Private Ltd.	India	Operating company - Terminal Project	91.30%	Ordinary

The Group has the following related parties with whom it has entered into transactions with during the year.

a) Shareholders having significant influence

The following shareholders of the Group have had a significant influence during the year under review:

- Lord Howard Flight holds 0.18% of issued share capital as on 31 December 2024 (as on 31 December 2023 – 0.18%) of Mercantile Ports & Logistics Limited at the year end.
- Jay Mehta holds 0.97% of issued share capital as on 31 December 2024 (as on 31 December 2023 – 0.99%) of Mercantile Ports & Logistics Limited at the year end.
- John Fitzgerald holds 0.35% of issued share capital as on 31 December 2024 (as on 31 December 2023 – 0.18%) of Mercantile Ports & Logistics Limited at the year end.
- Jeremy Warner Allen holds 1.08% of issued share capital as on 31 December 2024 (as on 31 December 2023 – 1.08%) of Mercantile Ports & Logistics Limited at the year end.
- Dimitry Tsvetkov holds 0.26% of issued share capital as on 31 December 2024 (as on 31 December 2023 – 0.26%) of Mercantile Ports & Logistics Limited at the year end.
- Karanpal Singh via Hunch Ventures and Investments Private Limited holds 38.40% of issued share capital as on 31 December 2024 (as on 31 December 2023 – 38.40%) of Mercantile Ports & Logistics Limited at the year end.

b) Key Managerial Personnel of the parent

Non-executive Directors

– Mr. John Fitzgerald
– Jeremy Warner Allen
– Karanpal Singh
– Amit Dutta
– Dmitri Tsvetkov

Executive Directors

– Mr. Jay Mehta (Managing Director)

c) Key Managerial Personnel of the subsidiaries

Directors of KTLPL (India)

- Mr. Jay Mehta
- Mr. Rakesh Bajaj

Directors of Karanja Terminal & Logistics (Cyprus) Ltd - KTLCL (Cyprus)

- Ms. Andria Andreou
- Ms. Chrystalla Stavrou

d) Other related party disclosure

Entities that are controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual or close family member of such individual referred above.

- Athos Hq Group Bus. Ser. Cy Ltd
- John Fitzgerald Limited
- KJS Concrete Private Limited
- Himangini Singh
- Fiona Gupta

e) Transaction with related parties

The following transactions took place between the Group and related parties during the year ended 31 December 2024

	Nature of transaction	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Athos Hq Group Bus. Ser. Cy Ltd	Administrative fees	23	10
		23	**10**

The following table provides the total amount outstanding with related parties as at year ended 31 December 2023:

Transactions with Key Managerial Personnel of the subsidiaries

See Key Managerial Personnel Compensation details as provided below - Advisory services fee
None

Compensation to Key Managerial Personnel of the parent

Fees paid to persons or entities considered Key Managerial Personnel of the Group include:

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Non-Executive Directors fees		
– Lord Flight	--	36
– John Fitzgerald	45	45
– Jeremy Warner Allen	40	40
– Amit Dutta	35	35
– Dmitri Tsvetkov	45*	45*
	165	**201**
Executive Directors Fees		
– Jay Mehta	144	88
	144	**88**
Total compensations paid to Key Managerial Personnel	**309**	**289**

* Includes £ 10,000 (2023: £ 10,000) paid as sitting fees to Dmitri Tsvekov for attending Audit Committee meetings.

Compensation to Key Managerial Personnel of the subsidiaries

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Directors' fees		
KTLCL – Cyprus	3	3

Transactions with shareholders / entity having significant influence

	Nature of transaction	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Provision created for doubtful advances for advance given to SKIL Infrastructure Ltd.	Provision for doubtful advances	--	107
Shares issued to Hunch Ventures and Investment Limited	Share subscription	--	3,750
Shares issued to Jay Mehta	Share subscription	--	100

Other Payables

As at 31 December 2024, the Group had Nil (2023: £3.09 million) as payable to related parties.

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Grevek Investment & Finance Private Ltd.	--	3,094
	--	**3,094**

Receivable from the shareholders having significant influence

	Nature of transaction	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Debtors	Advances	107	107
Less: Provision for doubtful advances Hunch Ventures and Investment Limited*		(107)	(107)
Advances recoverable in cash or in kind	Advances	3,823	4,113
		3,823	**4,113**

*At the time of the placing and subscription in August 2021, the Company intended for the proceeds of the fundraising to be held in the Company's bank account in Guernsey. The subscription monies from Hunch Ventures required Reserve Bank of India ("RBI") approval in order to be remitted to Guernsey. However, at the time of the Company's General Meeting on 9th September 2021, the Company confirmed that it had directed Hunch Ventures to transfer the subscription monies to one of the Company's Indian bank accounts and that was done.

Subsequently, the Board resolved that it did wish the funds to be transferred to Guernsey and, as a result, requested that Hunch Ventures pursue the "RBI approval" route once more. In pursuing this, Hunch Venture's bank required the subscription monies to be transferred to Hunch Venture's account so that application could be made for the funds to be moved to Guernsey.

The Company is able to rely on the support documentation to the RBI process, put in place at the time of Hunch Ventures' original investment in 2018. It should be noted that the Company continues to have access to the Subscription monies and, since the period end, has accessed these funds.

Given the time being taken to receive RBI approval, the Company and Hunch Ventures have received advice on an alternative structure to achieve the Company's desired treasury requirements, without the requirement to receive RBI approval.

Ultimate controlling party

The Directors do not consider there to be an ultimate controlling party.

22. CASH FLOW ADJUSTMENTS AND CHANGES IN WORKING CAPITAL

The following non-cash flow adjustments and adjustments for changes in working capital have been made to profit before tax to arrive at operating cash flow:

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Non-cash flow adjustments		
Depreciation	4,740	5,581
Impairment loss	6,772	9,853
Finance Income	(34)	(25)
Finance cost	7,291	6,225
Re-measurement of net defined benefit liability	(1)	(27)
Provision for Gratuity	9	17
Loss on disposal of PPE	1	7
Balances written back	(87)	(190)
Provision for doubtful advances	(26)	--
Provision for doubtful advances	--	107
	18,664	**21,548**
Increase/(Decrease) in trade and other payables	422	49
Decrease/(Increase) in trade and other receivables	*952	*(124)
Current investments (deposits with bank)	(7)	(173)
Increase in inventory	251)	24
	1,116	**(224)**

* Excludes £ 0.3 million (2023: £ 3.5 million) receivable towards share application money.

23. CAPITAL MANAGEMENT POLICIES AND PROCEDURE

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern
- To provide an adequate return to shareholders

Capital

The Company's capital includes share premium (reduced by share issue costs), retained earnings and translation reserve which are reflected on the face of the Statement of Financial Position and in Note 16.

24. EMPLOYEE BENEFIT OBLIGATIONS

a. Defined Contribution Plan:

The following amount recognized as an expense in statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

	Year Ended 31 Dec 24 £000	Year Ended 31 Dec 23 £000
Contribution to Provident Fund	9	22
Contribution to ESIC	1	2
	10	**24**

b. Defined Benefit Plan:

The Company has an unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's tenure of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of INR 2 million with effect from 29 March 2018.

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each period-end by reference to market yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience. The assumptions used for the valuation of the defined benefit obligation are as follows:

Key Assumptions		
Particulars	31 Dec 24	31 Dec 23
Discount rate	6.90% p.a.	7.40% p.a.
Salary growth rate	6.00% p.a.	6.00% p.a.
Withdrawal rate	2.00% p.a. at younger ages reducing to 7.00% p.a. at older ages	2.00% p.a. at younger ages reducing to 7.00% p.a. at older ages

The following tables summaries the components of net benefit expense recognised in the Consolidated Statement of Comprehensive Income and the funded status and amounts recognised in the Consolidated Statement of Financial Position for the gratuity plan:

Particulars	As at 31 Dec 24 £000	As at 31 Dec 23 £000
Statement of Comprehensive Income		
Net employee benefit expense recognised in the employee cost		
Current service cost	6	12
Interest cost on defined benefit obligation	3	4
Total expense charged to loss for the period	**9**	**16**
Amount recorded in Other Comprehensive Income (OCI)		
Opening amount recognised in OCI		
Re-measurement during the period due to:		
Actuarial (gain) arising from change in financial assumptions	--	--
Actuarial (gain) / loss arising on account of experience changes	(1)	(27)
Amount recognised in OCI	(1)	(27)
Closing amount recognised in OCI	**(1)**	**(27)**
Reconciliation of net liability / asset		
Opening defined benefit liability	46	59
Expense charged to profit or loss account	9	15
Amount recognised in Other Comprehensive (Income)	(1)	(27)
Closing net defined benefit liability	**54**	**44**

Movement in benefit obligation and Consolidated Statement of Financial Position

A reconciliation of the benefit obligation during the inter-valuation period:

Particulars	As at 31 Dec 24 £000	As at 31 Dec 23 £000
Opening defined benefit obligation	43	59
Current service cost	6	13
Interest on defined benefit obligation	3	4
Re-measurement during the period due to:		
Actuarial (gain) arising on account of experience changes	--	--
Actuarial loss / (gain) arising from change in financial assumptions	(1)	(27)
Benefits paid	--	(2)
Closing defined benefit obligation liability recognised in Consolidated Statement of Financial Position	**51**	**44**

Particulars	As at 31 Dec 23 £000	As at 31 Dec 22 £000
Net liability is bifurcated as follows:		
Current	9	9
Non-current	42	35
Net liability	**51**	**44**

The present value of the DBO was measured using the Projected Unit Credit (PUC) method.
The weighted average duration of the defined benefit obligation at 31 December 2023 is 10.67 years (2022: 7.7 years).

25. CONTINGENT LIABILITIES

Particulars	As at 31 Dec 24 £000	As at 31 Dec 23 £000
Bank guarantee issued to Maharashtra Pollution Control Board towards issuing the consent to operate the Port	30	30
The Commissioner of Customs - Jawaharlal Nehru Custom House towards the collateral for acting as a custodian of the Cargo handled at the Port	100	100
There is an ongoing arbitration proceeding initiated by the Indian subsidiary with the dredging sub-contractor for claiming damages for non-performance under dredging contract to the tune of ₹214 crores (£19.91 million) and a counter claim made by the sub- contractor for ₹74.11 crores (£6.90 million) plus additional interest @18% p.a. considered as contingent. The matter is under arbitration act in the jurisdiction of Mumbai. Based on the legal opinion obtained, management is confident that the outcome will be in favour of the Company. The counter claim made by the sub-contractor on the Company is considered as a contingent liability. As of the Balance sheet date the cross examination of the witnesses of the Claimant is completed and the cross examination of the witnesses of the respondent is underway.	10,458	7,695
The Income tax liability to the tune of ₹30.94 crores (£2.88 million) (exclusive of any interest or penalties) for the Assessment years from 2013-14 to 2024-25. MPL group's Indian subsidiary had filed a writ petition in Hon'ble High court for seeking relief against the order passed by the Income Tax Appellate Tribunal (ITAT) for the two assessment years 2011-12 and 2012-13, which was decided in favour of the group's Indian subsidiary. The Indian subsidiary has received the refund order u/s. 264 read with section 260 of the Income Tax Act for the assessment year 2011-12 as well as 2012-2013 and as such the amount in respect of these two years is no longer considered a contingent liability. As per these orders, the matter was sent back to the files of Principal Commissioner of Income Tax (Appeals) for re-adjudication following the ITAT orders for assessment years 2013-14 to 2015-16. The status of open litigations for AY 2013-14 to AY 2015-16 remain unchanged during FY 2023-24 i.e., the matter is yet to be adjudicated and the outcome of appeal before Hon'ble Bombay High Court is pending. Cash outflows, if any, is determinable on receipt of judgments pending at respective authorities.	2,879	4,535

26. CAPITAL COMMITMENTS

Particulars	As at 31 Dec 24 £000	As at 31 Dec 23 £000
Estimated value of contracts in capital account in relation to property, plant and equipment remaining to be executed and not provided for (net of advances)	4,754	4,815

27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Long-term borrowing £000	Current Maturity of long-term borrowing £000	Leased liabilities £000	Total £000
1 January 2024	36,399	10,672	1,792	48,863
Cash-flows:				
- Repayment	--	--	(161)	(161)
- Repayment/adjustment of principal	(3,094) *	--	--	(3,094)
Non-cash:				
- Exchange difference	(401)	(187)	(23)	(611)
- Accrued during the period	--	6,178	188	6,366
- Interest on term loan EIR adjustment	932	--	--	932
- Reclassification	(5,374)	5,374	--	--
31 December 2024	**28,461**	**22,037**	**1,796**	**52,295**

Particulars	Long-term borrowing £000	Current maturity of long-term borrowing £000	Leased liabilities £000	Total £000
1 January 2023	39,165	2,295	2,428	43,888
Cash-flows:				
- Repayment	--	(99)	(737)	(836)
- Accrued during period	--	(749)	(9)	(758)
Non-cash:				
- Exchange difference	(2,382)	(267)	(129)	(2,778)
- Accrued during the period	--	4,981	239	5,220
- Interest on term loan EIR adjustment	1,033	--	--	1,033
- Reclassification*	(1,417) *	4,511	--	3,094
31 December 2023	**36,399**	**10,672**	**1,792**	**48,863**

* The amount is net of re-classification of Loan from Others £ 3.09 million from Trade Payables in the previous year to non-current borrowings in the current year. The £3.1m was advanced as financial assistance during the port construction due to the delay in disbursement from lenders. As a result of the cash constraint on account of Covid-19 an agreement was signed 31st May 2023 that the advances will not be called until the company becomes adequately cash flow surplus or 3 years, whichever is earlier.

28. EVENTS OCCURRING AFTER REPORTING PERIOD

a. New projects / contracts:

- The Indian subsidiary has been successful in performing a trial run for Afcons Infrastructure Limited and advanced negotiations are underway.

- Contract with Shiny Shipping and Logistics Pvt. Ltd. which is handling the Edible Oil cargo for Indian Oil Corporation Ltd for discharging and distribution locally. The initial contract is for 36 months and the contract value is £1.40 million (₹14.94 crores).

- Ambuja Cement Limited which had temporarily stopped its operations in 2024 has recommenced its discharging operations at Karanja Port effective April 2025.

b. Status of the Term Loan proposal:

b) The Indian subsidiary has submitted a letter dated 24th March 2025 to the consortium of lenders for a One Time Settlement (OTS) closer to book value of the total debt and the lenders are perusing the same.

c. Income Tax Refund for AY 2011-12 & AY 201-13

Out of the Total refund due of £2.70 million (₹28.84 crores), the Indian Subsidiary has received £1.0 million (₹10.19 crores) refund in the first quarter of 2025.

29. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2024 were approved and authorised for issue by the Board of Directors as on 27 June 2025.