

30 June 2025

Mercantile Ports & Logistics Limited

("MPL", the "Group" or the "Company")

Full Year Results

Mercantile Ports & Logistics (AIM: MPL), which is operating and continuing to develop a port and logistics facility in Navi Mumbai, Maharashtra, is pleased to announce its preliminary results for the year ended 31 December 2024.

Chairman's Statement

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 resolve our debt and we remain grateful to our major shareholder, Hunch Ventures, for their continued support and guidance in this endeavour. 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 see us 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,

Jeremy Warner Allen

Chairman

Mercantile Ports & Logistics Limited

Operational Review

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) Tractor Sales	3.34%	Stable cost environment
Policy Support operators	Double-digit growth Sagarmala, PM Gati Shakti	Rural consumption and agri-supply flows Favourable for private port operators

Operational Update

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, as well as 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 commence 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 was 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.

Outlook

With 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. Following completion of the Company's refinancing, the Board believes that the Company will return to more significant growth.

**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)
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		(460)	(5,015)
Exchange difference on translating foreign operations attributable to:			
Non-controlling interest		(1)	
Owners of 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		29,951	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)	(17,717)

Retained earnings	10	(50,070)	(77,211)
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.

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 profit/(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 on 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.

	Stated Capital £000	Translation Reserve £000	Retained Earnings £000	Other components of equity £000	Non- controlling interest £000	Total Equity £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)	–	–	–	(5,105)
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 Limited*	Mercantile Ports & Logistics Private Limited	India	8.49	8.49
Karanja Terminal & Logistics 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 ("KTPL") 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 ("KTCL") - Euro
- Karanja Terminal & Logistics Private Limited ("KTPL") - 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

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.

1) 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 any 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

Assets	Estimates 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) Shiny Shipping & Logistics Pvt. Ltd. for Edible Oil discharging and distribution;
- b) 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 EBITDA 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 EBITDA 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 in 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. EBITDA:

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 EBITDA margin.

Decrease: Increase in cost of operations such as equipment hire, stevedoring etc cost, if hiked, then would adversely impact the EBITDA 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 £000	Year ended 31 Dec 23 £000
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 £000	Year ended 31 Dec 23 £000
Wharf age expense	412	479
Other operating expense	2,171	1,919
Changes in inventory	(253)	19
Total	2,330	2,417

6. ADMINISTRATIVE EXPENSES

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Employee costs	518	556
Directors' remuneration and fees	302	281
Foreign exchange loss	7	(3)
Provision for doubtful debts	26	-
Other administrative costs	1,988	2,432
Total	2,841	3,266

7.(a) FINANCE INCOME

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
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 £000	Year ended 31 Dec 23 £000
Interest on term loan	5,432	4,398
Interest others	1,859	1,827
Total	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 £000	Year ended 31 Dec 23 £000
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.

prosecution 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 31 Dec 24 £000	Year ended 31 Dec 23 £000
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. AUDITOR'S 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
Total	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 £6,542

Cyprus entity is £1,893

Total £8,435

9. 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 £000	Year ended 31 Dec 23 £000
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
	£000	£000	£000	£000	£000	£000	£000	£000
Gross carrying amount								
Balance 1 Jan 2024	47	579	434	569	59	104,171	1,659	24,067
Net Exchange Difference	(1)	7	(87)	(7)	(1)	(1,63838)	(21)	26
Additions	2	9	–	–	23	8,333	–	63
Transfers	–	–	–	–	–	–	–	(8,333)
from	–	–	–	(35)	–	–	(20)	
CWIP								
Disposals								
Balance 31 Dec 2024	48	595	347	527	81	110,867	1,618	16,626
Depreciation								
Balance 1 Jan 2024	(41)	(320)	(122)	(420)	(12)	(24,902)	(403)	
Net	1	(9)	4	5	–	449	11	
Exchange	(3)	(106)	(29)	(28)	(4)	(4,475)	(66)	
Difference	–	1	–	32	–	–	18	
Charge for the year	–	–	–	–	–	(6,742)	–	
Disposals								
Impairment								
Balance 31 Dec 2024	(44)	(435)	(146)	(412)	(16)	(35,670)	(440)	
Carrying amount 31 Dec 2024	4	160	201	115	65	75,197	1,178	16,626

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 Progress £000	To in £0
Gross carrying amount									
Balance 1 Jan 2023	49	570	472	626	63	110,533	2,035	24,894	1
Net Exchange Difference	(3)	(34)	(91)	(38)	(4)	(6,463)	(123)	(1,497)	(
Additions	1	46	53	5	–	101	–	724	
Transfers	–	–	–	–	–	–	–	(64)	
from CWIP	–	(3)	–	(24)	–	–	(253)	–	
Disposals									
Balance 31 Dec 2023	47	579	434	569	59	104,171	1,659	24,057	1
Depreciation									
Balance 1 Jan 2023	(41)	(227)	(114)	(412)	(8)	(10,468)	(589)	–	(1
Net	3	17	19	26	–	616	110	–	
Exchange	(3)	(111)	(27)	(47)	(4)	(5,197)	(177)	–	(
Difference	–	1	–	13	–	–	253	–	
Charge for the year	–	–	–	–	–	(9,853)	–	–	(
Disposals									
Impairment									
Balance 31 Dec 2023	(41)	(320)	(122)	(420)	(12)	(24,902)	(403)	–	(2
Carrying amount 31 Dec 2023	6	259	312	149	47	79,269	1,256	24,057	1

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:

	£000 31 Dec 2024	£000 31 Dec 2023
Vehicles	115	150
	227	350

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 ASSETS

	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)	—
Total	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
Total	180	173

*Deposits are placed under lien against Bank Guarantees issued by bank on behalf of the group to various Government

Deposits are placed under short-term deposits 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
Total	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 KTLPL 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		Equity, net of	
	£000		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:

Payment falling due	Principal Payments		Interest Payments	
	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.

	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

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.

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.

Fair Values

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.

Payment falling due	Notes	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
Total		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
Total		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

[illegible]

	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
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

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Non-Current		
Pensions - defined benefit plans	42	35
Total	42	35
Current		
Wages, salaries	250	267
Pensions - defined benefit plans	9	9
Total	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 to note 27)	28,461	33,305
Loan from others*	-	3,094
Total	28,461	36,399
Current		
Bank loan (refer to note 27)	11,851	6,564
Interest payable	10,186	4,088
Total	22,037	10,672

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

	Year ended 31 Dec 24 £000	Year ended 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

	Year ended 31 Dec 24 £000	Year ended 31 Dec 23 £000
Duties and 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 24 £000	Year ended 31 Dec 23 £000
Non-Current		
Lease liability (refer to note 27)	1,206	1,457

Current		
Lease liability (refer to note 27)	590	335
Trade Creditors	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	Year ended
		31 Dec 24	31 Dec 23
		£000	£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 Fees		
Lord Flight	-	36
John Fitzgerald	45	45
Jeremy Warner Allen	40	40
Amit Dutta	35	35
Dmitri Tsvetkov	45*	45*
Total	165	201

Executive Director Fees		
Jay Mehta	144	88

Total compensations paid to Key Managerial Personnel	309	289
---	------------	------------

* Includes £ 10,000 (2023: £ 10,000) paid as sitting fees to Dmitri Tsvetkov 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

Receivable from the shareholders having significant influence

		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	4,750	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
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
Total	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 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
Total	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 31 Dec	at 24 £000	As 31 Dec	at 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 31 Dec £000	at 23	As 31 Dec £000	at 22
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.	2,879	4,535
Cash outflows, if any, is determinable on receipt of judgments pending at respective		

Cash outflows, if any, is determinable on receipt of judgments pending at respective authorities.

26. CAPITAL COMMITMENTS

Particulars	As 31 Dec 24 £000	As 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.

For further information, please visit www.mercpl.com or contact:

MPL	c/o SEC Newgate +44 (0) 20 3757 6880
Cavendish Capital Markets Limited (Nomad and Broker)	Stephen Keys +44 (0) 207 220 0500
SEC Newgate (Financial Communications)	Elisabeth Cowell/ Bob Huxford +44 (0) 20 3757 6880 mpl@newgatecomms.com



This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

FR MZGZVDLRGKZM