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AUDITING OF ACCOUNTS
محاسبون قانونيون ومستشارون
Chartered Accountants & Consultants

SHRIRAM EPC (FZE)
SHARJAH, UAE

CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED MARCH 31, 2024

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CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED MARCH 31, 2024

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SHRIRAM EPC (FZE)
SHARJAH, UAE

MANAGER'S REPORT FOR THE YEAR ENDED MARCH 31, 2024

The manager submits his report together with the audited financial statements of M/s Shriram EPC (FZE) ("the establishment") for the year ended March 31, 2024.

Principal activities

The principal activities of the establishment are general trading and management consultancy.

Financial results and appropriations

The financial results of the establishment for the year ended March 31, 2024 are set out in the statement of profit or loss and other comprehensive income.

Results of operations

	For the year ended March 31, 2024 AED	For the year ended March 31, 2023 AED
Revenue	-	-
Operating expenses	**467**	678,407
Net (loss) before other comprehensive income for the year	**(467)**	(678,407)
Other income	**48,102**	3,543,305
Net profit and other comprehensive income for the year	**47,635**	2,864,898

Events after the reporting period

There are no significant events of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect, substantially the result of the operations of the establishment for the financial year then ended.

Shareholder and their interests

The authorized, issued and paid up capital of the establishment is 1 ordinary shares of AED 150,000. The shareholding pattern of the establishment at the balance sheet date is as follows:

Name of the shareholder	**Registered**	**No. of shares**	**Share value (AED)**	**Percentage of holding**
Shriram EPC Limited	India	1	150,000	100%
Total		**1**	**150,000**	**100%**

There were no changes in the shareholding structure during the year.

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Manager

The establishment is being managed and controlled by M/s Huda Abdullah Mohammad Hassan Abdulla, the manager of the establishment.

Manager's responsibilities

The manager is required to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the establishment and of the profit or loss for the year then ended. The manager hereby confirms the following:

1. In the preparation of the financial statements, the applicable accounting standards have been followed;
2. The manager has selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the establishment as at the end of the financial year and of the profit or loss of the establishment for that year;
3. The manager has taken proper and sufficient care for the maintenance of adequate accounting records relevant to proper safeguarding of the establishment's assets and for preventing and detecting fraud and other irregularities;
4. The manager has prepared the financial statements on going concern basis;

Auditors

The financial statements have been audited by M/s NBN Auditing of Accounts, Dubai, UAE who retire and being eligible, offer themselves for reappointment.

For Shriram EPC (FZE)

M/s Huda Abdullah Mohammad Hasssan Abdulla
Manager
May 22, 2024

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INDEPENDENT AUDITOR'S REPORT

To,
The Shareholder,
M/s Shriram EPC (FZE)
Sharjah, UAE

Report on the Financial Statements

Opinion

We have audited the financial statements of **M/s Shriram EPC (FZE), Sharjah, UAE,** ("the establishment") which comprise the consolidated statement of financial position as at March 31, 2024 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the company's financial reporting process.

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Auditor's Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the establishment to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the establishment audit. We remain solely responsible for our audit opinion.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the establishment to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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Reports on Other Legal and Regulatory Requirements

As required by UAE Federal Law No. (32) of 2021, we further confirm that:

1. we have obtained all information and explanations necessary for our audit,

2. that proper financial records have been kept by the establishment, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021;

3. that the contents of the manager's report which relate to these financial statements is in agreement with the establishment's financial records.

4. note 6 to the financial statements discloses material related party transactions and the terms under which they were conducted; and

5. based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the establishment has contravened during the financial year ended March 31, 2024 with any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or its Memorandum and Articles of Association, which would materially affect its activities or its financial position as at March 31, 2024.

M/s NBN Auditing of Accounts

May 23, 2024

Ali Saleh Ali Mohammad

License Number : 817951

Auditor's Registration No : 509

Dubai, United Arab Emirates

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SHRIRAM EPC (FZE)
SHARJAH, UAE

Consolidated Statement of Financial Position
as of March 31, 2024
(In United Arab Emirates Dirham)

		March 31,	
		2024	2023
Assets	*Notes*	**AED**	AED
Non current assets			
Property, plant & equipment		**-**	-
Current assets			
Due from related party	6	**9,093,913**	9,093,913
Trade receivables	7	**29,039,596**	29,039,596
Other receivables and prepayments	8	**31,612,776**	31,601,497
Cash on hand and in banks	9	**77,675**	86,049
Total assets		**69,823,960**	69,821,055
Liabilities and shareholder's equity			
Shareholder's equity			
Share capital	10	**150,000**	150,000
Retained earnings		**(202,454)**	(250,090)
Non-controlling interest		**715,493**	713.161
Foreign currency translation reserve		**(170,283)**	(112,094)
Shareholder's current account		**-**	(1,472)
Total shareholder's equity		**492,756**	499,505
Current liabilities			
Due to related party	6	**8,268,805**	8,268,805
Trade payables	11	**37,210,762**	37,277,805
Sundry payables and accruals	12	**23,851,637**	23,774,940
Total liabilities		**69,331,204**	69,321,550
Total liabilities and shareholder's equity		**69,823,960**	69,821,055

The accompanying notes form an integral part of these financial statements. The report of the auditor is set out on pages 3 to 5.

The financial statements on pages 6 to 27 were approved by the board of directors on May 22. 2024 and signed on its behalf by:

For Shriram EPC (FZE)

Huda Abdulla Mohammad Hassan Abdulla
Manager
May 22, 2024

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SHRIRAM EPC (FZE)
SHARJAH, UAE

Consolidated Statement of Profit or loss and Other Comprehensive Income
for the year ended March 31, 2024
(In United Arab Emirates Dirham)

	Notes	April 01, 2023 to March 31, 2024 AED	April 01, 2022 to March 31, 2023 AED
Revenue		-	-
General and administrative expenses	13	240,076	525,062
Financial expenses (net)	14	(239,610)	152,869
Depreciation		-	476
Total operating expenses		466	678,407
Net (loss) for the year before other comprehensive income		(466)	(678,407)
Other income	15	48,102	3,543,305
Net profit for the year after other comprehensive income		47,636	2,864,898

The accompanying notes form an integral part of these financial statements. The report of the auditor is set out on pages 3 to 5.

The financial statements on pages 6 to 27 were approved by the board of directors on May 22, 2024 and signed on its behalf by:

For Shriram EPC (FZE)

Huda Abdulla Mohammad Hassan Abdulla
Manager
May 22, 2024

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SHRIRAM EPC (FZE)
SHARJAH, UAE

Consolidated Statement of Cash Flows
for the year ended March 31, 2024
(In United Arab Emirates Dirhams)

	For the year ended March 31,	
	2024	2023
	AED	AED
Cash flows from / (used in) operating activities:		
Net profit for the year after other comprehensive income	**47,636**	2,864,898
Adjustments for:		
Changes in foreign currency translation reserve	**(58,189)**	(76,438)
Depreciation	-	476
(Gain) on sale of property, plant and equipment	-	(9,177)
Operating profit before changes in operating assets and liabilities	**(10,553)**	2,779,759
Decrease in trade receivables	-	4,814,283
(Increase) in advances, deposits and other receivables	**(11,279)**	(6,251)
(Decrease) in trade payable	**(67,043)**	(7,637,002)
Increase / (decrease) in sundry payables and accruals	**76,697**	(41,166)
Net cash flows from / (used in) operating activities	**(12,178)**	(90,377)
Cash flows from / (used in) investing activities:		
Disposal of fixed asset	-	9,177
Changes in shareholder's current account	**1,472**	-
Funding from Non controlling interest	**2,332**	(133)
Net cash (used in) investing activities	**3,804**	9,044
Cash flows from / (used in) financing activities:		
Net cash from / (used in) financing activities	-	-
Net (decrease) in cash and cash equivalents	**(8,374)**	(81,333)
Cash and cash equivalents, beginning of the year	**86,049**	167,382
Cash and cash equivalents, end of the year	**77,675**	86,049
Represented by:		
Cash at bank	**77,675**	86,049
	77,675	86,049

The accompanying notes form an integral part of these financial statements. The report of the auditor is set out on pages 3 to 5.

The financial statements on pages 6 to 27 were approved by the board of directors on May 22, 2024 and signed on its behalf by:

For Shriram EPC (FZE)

Huda Abdulla Mohammad Hassan Abdulla
Manager
May 22, 2024

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SHRIRAM EPC (FZE)
SHARJAH, UAE

Consolidated Statement of Changes in Shareholder's Equity
for the year ended March 31, 2024
(In United Arab Emirates Dirham)

	Share capital	Retained earnings	Non-controlling interest	Foreign currency translation reserve	Shareholder's current account	Total
	AED	AED	AED	AED		AED
a. Opening balance on April 01, 2022	150,000	(3,114,988)	713,294	(35,657)	(1,472)	(2,288,823)
b. Net profit for the year	-	2,864,898	-	-	-	2,864,898
b. Impact of Foreign currency translation	-		(133)	(76,437)	-	(76,570)
Balance at March 31, 2023	150,000	(250,090)	713,161	(112,094)	(1,472)	499,505
a. Net profit for the year	-	47,636	-	-	-	47,636
b. Impact of Foreign currency translation	-	-	2,332	(58,189)	-	(55,857)
c. Net movements during the year	-	-	-	-	1,472	1,472
Balance at March 31, 2024	**150,000**	**(202,454)**	**715,493**	**(170,283)**	**-**	**492,756**

The accompanying notes form an integral part of these financial statements. The report of the auditor is set out on pages 3 to 5.

The financial statements on pages 6 to 27 were approved by the board of directors on May 22, 2024 and signed on its behalf by:

For Shriram EPC (FZE)

Huda Abdulla Mohammad Hassan Abdulla
Manager
May 22, 2024

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SHRIRAM EPC (FZE)
SHARJAH, UAE

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

1 LEGAL STATUS & ACTIVITIES

a) Shriram EPC (FZE), Sharjah, UAE ("the establishment") is registered under Sharjah Airport International Free Zone (SAIF Zone), Sharjah, United Arab Emirates under the business license No.12054 issued on May 23, 2023 and the establishment operates under the service license No. 12055 issued on May 23, 2023.

b) The consolidated financial statements of Shriram EPC (FZE), SAIF Zone, Sharjah – United Arab Emirates, for the year ended March 31, 2024, combine 100% of the assets, liabilities and results of operations of the following Middle East, based entities ("consolidated entities") listed below reflecting the beneficial interest of M/s. Shriram EPC Limited (India), (the "Owner"), in each of the entities.

c) The principal activities of the establishment are general trading and management consultancy.

d) The principal place of the business is located in Sharjah Airport International Free Zone, Saif Suite Y1-030, P.O. Box 121968, Sharjah, UAE.

e) The establishment is being managed and controlled by Huda Abdulla Mohammad Hassan Abdulla, the manager of the establishment.

f) These financial statements incorporate the operating results of the following entities.

Name of the entity	Beneficial ownership	Location
Shriram EPC (FZE) – Licence no. 12054	100%	SAIF Zone, Sharjah, U.A.E
Shriram EPC (FZE) – Licence no. 12055	100%	SAIF Zone, Sharjah, U.A.E
Shriram EPC Arkan LLC	70%	Muscat, Oman

g) The authorized, issued and paid up capital of the establishment is 1 ordinary share of AED 150,000 each. The shareholding pattern of the establishment at the balance sheet date is as follows:

Name of the shareholder	Registered	No. of shares	Share capital (AED)	Percentage of holding
Shriram EPC Limited	India	1	150,000	100%
Total		**1**	**150,000**	**100%**

2 BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC) and comply, where appropriate, with the Articles of Association of the establishment and requirements of the U.A.E. Federal Law No. (32) of 2021.

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SHRIRAM EPC (FZE)
SHARJAH, UAE

Notes to the Consolidated Financial Statements (continued)
for the year ended March 31, 2024

2 BASIS OF PREPARATION (continued)

Basis of measurement

The financial statements are prepared under the historical cost convention, modified to incorporate the movements on carrying values of assets and liabilities.

Functional and presentation currency

These financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the functional and presentation currency of the establishment.

Use of estimates and judgements

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed by management on an ongoing basis.

The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors.

Changes in material accounting policies

A. The establishment has adopted Onerous Contracts – Costs of Fulfilling a Contract (Amendments to IAS 37) from January 01, 2023. This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.

   The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The establishment has analysed all contracts existing as at January 01, 2023 and determined that none of them would be identified as onerous applying the revised accounting policy – i.e. there is no impact on the opening equity balances as at January 01, 2023 as a result of the change.

B. Material accounting policy information

   The also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 01, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

   A number of other new standards are also effective from January 01, 2023 but they do not have a material effect on the establishment's financial statements.

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SHRIRAM EPC (FZE)
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Notes to the Consolidated Financial Statements (continued)
for the year ended March 31, 2024

2 BASIS OF PREPARATION (continued)

Material accounting policies

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

a) Revenue recognition:

Revenue represents the invoiced value of general trading and management consultancy services rendered during the year net of discounts, if any, falling with in the establishment's ordinary activities.

As per IFRS 15 revenue is measured based on the consideration specified in a contract with a customer.

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

b) Property, plant and equipment:

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, levies, duties and any directly attributable cost of bringing the asset to its working condition. The cost of property, plant and equipment is depreciated using the straight - line method over their expected useful lives as follows:

Office equipments	4 years
Computer & accessories	4 years

c) Provision for staff termination benefits:

Amounts required to cover end of service indemnity at the statement of financial position date are computed pursuant to the United Arab Emirates Federal Labour Law based on the employees' period of service and current basic remuneration subject to the completion of a minimum service period at the statement of financial position date. On the balance sheet date there are no employees registered eligible for gratuity. Therefore, no provision for staff terminal benefit is created.

d) Impairment of assets:

Property, plant and equipments are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit or loss and other comprehensive income.

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SHRIRAM EPC (FZE)
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Notes to the Consolidated Financial Statements (continued)
for the year ended March 31, 2024

2 BASIS OF PREPARATION (continued)

Material accounting policies (continued)

e) Leases:

The establishment assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the establishment uses the definition of a lease in IFRS 16.

f) Foreign currencies:

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the statement of financial position date. Gains and losses arising are included in the statement of profit or loss and other comprehensive income.

g) Provisions:

A provision is recognised when a past event (the obligation event) has created a legal or constructive obligation, an outflow of resources is probable and the amount of the obligation can be estimated reliably. Provisions are reviewed at the end of each reporting year to adjust for changes in the estimate, for other than the time value of money.

h) Cash and cash equivalents:

For the purpose of the statement of cash flow, cash and cash equivalents consists of cash and balances with the bank and deposits with the banks maturing within 3 months from the date of acquisition, free of encumbrances.

i) Financial instruments:

Financial instruments comprise financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the establishment's statement of financial position when the establishmnet has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument, excluding investments in subsidiaries, associates or joint ventures. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

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SHRIRAM EPC (FZE)
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Notes to the Consolidated Financial Statements (continued)
for the year ended March 31, 2024

2 BASIS OF PREPARATION (continued)

Material accounting policies (continued)

i) Financial instruments (continued)

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

The establishment derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or

- it transfers the rights to receive the contractual cash flows in a transaction in which either:

- substantially all of the risks and rewards of ownership of the financial asset are transferred; or

- the establishment neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The establishment derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The establishment also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the establishment updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and

- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the establishment first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the establishment applied the policies on accounting for modifications to the additional changes.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the establishment currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The establishment recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

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Notes to the Consolidated Financial Statements (continued)
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2 BASIS OF PREPARATION (continued)

Material accounting policies (continued)

i) Financial instruments (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the establishment considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the establishment's historical experience and informed credit assessment, that includes forward-looking information.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the establishment expects to receive).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

j) Accounts receivables:

Accounts receivables are stated at their nominal value, as reduced by appropriate allowances for estimated doubtful amounts.

The management undertakes a periodic review of amounts recoverable from trade and other receivables, and determines recoverability based on various factors such as ageing of receivables, payment history, collateral available and other knowledge about the receivables.

k) Accounts payables:

Accounts payables are stated at their nominal value.

l) Duties and taxes payable (VAT):

The establishment assesses the timing of when to accrue the taxes imposed by the Federal Tax Authority at the end of the tax period. As on March 31, 2024 the establishment is having a refund position with Federal Tax Authority regarding VAT.

m) ***Corporate Tax***

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime is effective from June 01, 2023, and accordingly, it has an income tax-related impact on the financial statements for accounting periods beginning on or after June 01, 2023.

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2 BASIS OF PREPARATION (continued)

Material accounting policies (continued)

m) ***Corporate Tax (Continued)***

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from January 16, 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted to account for Income Taxes.

The UAE CT Law shall apply to the establishment effective from January 01, 2024. The MoF continues to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) further to clarify certain aspects of the UAE CT Law. Such Decisions and other interpretive guidance of the UAE Federal Tax Authority are required to fully evaluate the impact of the UAE CT Law on the establishment.

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after June 01, 2023, the related current taxes shall be accounted for in the financial statements for the period beginning January 01, 2024.

n) ***Deferred tax***

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the establishment. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

A deferred tax liability represents the anticipated future tax obligations resulting from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Regarding the Transitional Rules Article 61(1) and MD 114, temporary differences for accounting positions are not expected to occur until the establishment is liable for Corporate Tax (i.e., in the financial period starting January 01, 2024) regarding Articles 61(2) and 61(3), on the assumption that no transactions have been undertaken or related party balances recognized with a main purpose of obtaining a UAE CT advantage, it is also not expected that any temporary differences would arise.

SHRIRAM EPC (FZE)
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Notes to the Consolidated Financial Statements (continued)
for the year ended March 31, 2024

2 BASIS OF PREPARATION (continued)

Material accounting policies (continued)

n) Deferred tax (continued)

As such, for financial year 2023 reporting purposes, we do not anticipate temporary differences related to the establishment's financial statement position.

Thus, no deferred tax asset or liability is to be reported for the establishment.

Adoption of new and revised International Financial Reporting Standards

The following new and revised standards including amendments thereto and interpretations which become effective for the current reporting period have been adopted. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

Amendments to IFRS 17	Insurance contracts
Amendments to IAS 1 and IFRS practice statement 2	Disclosure of Accounting policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to assets and liabilities arising from a single transaction
Amendment to IAS 12	International Tax Reform

Standard issued but not yet effective

A number of new standards are effective for annual periods beginning after January 01, 2023 and earlier application is permitted. However, the establishment has not early adopted the new or amended standards in preparing these financial statements. The following amended standards and interpretations are not expected to have a significant impact on the establishment's financial statements.

New standards or amendments	Effective date
Non-current liabilities with covenants-Amendments to IAS 1 And Classification of liabilities as Current or Non-current- Amendments to IAS 1	January 01, 2024
Lease liability in a sale and leaseback – Amendments to IFRS 16	January 01, 2024
Supplier finance arrangements – Amendments to IAS 7 and IFRS 7	January 01, 2024
Lack of Exchangeability – Amendments to IAS 21	January 01, 2025

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Notes to the Financial Statements (continued)
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2 BASIS OF PREPARATION (continued)

Material accounting policies (continued)

Standard issued but not yet effective (continued)

New standards or amendments	Effective date
Sale or Contribution of Assets between an Investor and its Associates or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred Indefinitely

(The effective date for these amendments was deferred indefinitely. Early adoption continues to be permitted)

3 DETERMINATION OF FAIR VALUES

A number of accounting policies and disclosures require the determination of fair values, for both financial and nonfinancial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumption made in determining the fair values is disclosed in the notes specific to that asset or liability.

When one is available, the establishment measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the assets or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the establishment uses valuation techniques that maximise the use of relevant observable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or liability measured at fair value has a bid price and an ask price, then the establishment measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the establishment determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

For each class of assets and liabilities not measured at fair value in the balance sheet but for which fair value is disclosed, an entity shall disclose the information required as follows:

a) the level of the fair value hierarchy within the fair value measurements are categorised in their entirely level (Level 1, 2 or 3);

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Notes to the Financial Statements (continued)
for the year ended March 31, 2024

3 DETERMINATION OF FAIR VALUES (continued)

b) for recurring and non-recurring fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) and the inputs used in the fair value measurement. If there has been a change in valuation technique (e.g. changing from a market approach to an income approach or the use of an additional valuation technique), the entity shall disclose that change and the reason(s) for making it; and

c) for recurring and non-recurring fair value measurements of non-financial assets, if the highest and best use differs from its current use, an entity shall disclose that fact and why the non-financial asset is being used in a manner that differs from its highest and best use.

4 FINANCIAL RISK MANAGEMENT

Overview

Generally, establishments have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market rate risk

This note presents information about the establishment's exposure to each of the above risks, the establishment objectives, policies and processes for measuring and managing risk, and the establishment's management of capital.

The establishment's manager has overall responsibility for the establishment and oversight of the establishment's risk management framework. The establishment's risk management framework is a combination of formally documented policies in certain areas and informal approach to risk management in others.

The establishment's approach to risk management is established to identify and analyse the risk faced by the establishment, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the establishment's activities.

a) Credit risk

Credit risk is the risk of financial loss to the establishment, if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the establishment's receivables from customers, other receivables, balances with bank and amounts due from related parties. The exposure to credit risk on accounts receivables and other receivables is monitored on an ongoing basis by management and these are considered recoverable by the establishment's management. The establishment's cash is placed with banks of good repute.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the establishment's standard payment and delivery terms and conditions are offered.

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Notes to the Financial Statements (continued)
for the year ended March 31, 2024

4 FINANCIAL RISK MANAGEMENT (continued)

a) Credit risk (continued)

The establishment's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the establishment's standard payment and delivery terms and conditions are offered. The establishment's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee. The establishment limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one and three months for individual and corporate customers respectively.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The establishment considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

b) Liquidity risk

Liquidity risk is the risk that the establishment will not be able to meet its financial obligations as they fall due. Liquidity risk mainly relates to payables to suppliers and the repayment of bank borrowings and amounts due to related parties. The establishment's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the establishment's reputation.

The establishment currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

c) Market rate risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates, interest rates and equity prices will affect the establishment's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform').

The establishment monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The establishment considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to IBOR reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

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Notes to the Financial Statements (continued)
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4 FINANCIAL RISK MANAGEMENT (continued)

c) Market rate risk (continued)

i. Currency risk

Generally, establishments are exposed to currency risk mainly on purchases and sales that are denominated in a currency other than the functional currency of the establishment. The currency in which these transactions primarily are denominated in United Arab Emirates Dirham (AED). As such, the establishment is not exposed to any currency risk.

In respect of other monetary assets and liabilities denominated in foreign currencies, the establishment ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

ii. Interest rate risk

At the reporting date the establishment has no exposure to interest rate risk as it has no interest rate bearing financial instruments.

iii. Capital management

The establishment is not subject to externally imposed capital requirements. There were no change in establishment's approach to capital management during the year.

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Notes to the Consolidated Financial Statements (continued)
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5 Property, plant and equipment

	Office Equipments	Computer & accessories	Total
	AED	AED	AED
Cost:			
At April 01, 2022	31,862	4,459	**36,321**
Additions during the year	-	-	-
At March 31, 2023	31,862	4,459	**36,321**
Additions during the year	-	-	-
At March 31, 2024	**31,862**	**4,459**	**36,321**
Accumulated Depreciation:			
At April 01, 2022	31,540	4,305	**35,845**
Depreciation for the year	322	154	476
At March 31, 2023	31,862	4,459	**36,321**
Depreciation for the year	-	-	-
At March 31, 2024	**31,862**	**4,459**	**36,321**
Net book value:			
At March 31, 2024	-	-	-
At March 31, 2023	-	-	-

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6 Related party transactions

The company enters into transactions with companies and entities that fall within the definition of a related party as contained in International Financial Reporting Standards (IFRS). Related parties comprise companies and entities under common ownership and/or common management and control; their partners and key management personnel.

The company believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

The company provides / receives funds to / from related parties as and when required as working capital facilities.

At the financial statement date, due from / to related parties were as follows:

Due from related party	**March 31,**	
	2024	2023
	AED	AED
SVL Limited, India	**9,093,913**	9,093,913

Due to related party	**March 31,**	
	2024	2023
	AED	AED
Shriram EPC Limited, India	**8,268,805**	8,268,805

Related party transactions

During the period, the company mainly entered into the following transactions with the related parties:-

a) Sale, purchases and other transactions from / to related party

	March 31,	
	2024	2023
	AED	AED
Expenses / purchases	-	-
Other receivables / expenses reimbursable from related party during the year	-	-

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Notes to the Consolidated Financial Statements (continued)
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7	**Trade receivables**	**March 31,**	
		2024	2023
		AED	AED
	Trade receivables	**29,039,596**	29,039,596

a)	***Ageing analysis***	**March 31,**	
		2024	2023
		AED	AED
	0 - 180 days	**-**	-
	More than 180 days	**29,039,596**	29,039,596
		29,039,596	29,039,596

8	**Other receivables and prepayments**	**March 31,**	
		2024	2023
		AED	AED
	Advance to suppliers	**31,539,924**	31,535,477
	Deposits & prepayments	**47,699**	47,544
	Duties & taxes recoverable	**25,153**	18,476
		31,612,776	31,601,497

Note:
a) Deposits consists of security deposit.
b) As on March 31, 2024 the company has a VAT refundable position with Federal Tax Authority amounting to AED 25,153 (2023: AED 18,476)

9	**Cash on hand and in banks**	**March 31,**	
		2024	2023
		AED	AED
	Cash on hand	**58**	54
	Bank balances - current accounts	**77,617**	85,995
		77,675	86,049

Note: components of cash and cash equivalent:	**March 31,**	
	2024	2023
	AED	AED
Cash on hand and in banks	**77,675**	86049
Less: deposits / overdraft	**-**	-
Cash and cash equivalent for the purpose of cash flow statement	**77,675**	86,049

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		March 31,	
10	**Share capital**	**2024**	2023
		AED	AED
	Authorised, issued and fully paid	**150,000**	150,000
	(150,000 ordinary shares of AED 1 each)		

		March 31,	
11	**Trade payables**	**2024**	2023
		AED	AED
	Trade payables	**37,210,762**	37,277,805

		March 31,	
12	**Sundry payables and accruals**	**2024**	2023
		AED	AED
	Retentions payable	**23,253,648**	23,184,873
	Provision for taxation	**576,248**	574,372
	Salary payable	**15,741**	15,690
	Other payable	**6,000**	5
		23,851,637	23,774,940

		April 01, 2023 to March 31, 2024	April 01, 2022 to March 31, 2023
13	**General and administrative expenses**		
		AED	AED
	Legal & professional expenses	**216,096**	262,718
	Travelling expenses	**8,580**	-
	Insurance	-	1,206
	Communication expenses	-	4,184
	Employee benefit expenses	-	20,921
	Other general & administrative expenses	**15,400**	236,033
		240,076	525,062

		April 01, 2023 to March 31, 2024	April 01, 2022 to March 31, 2023
14	**Financial expenses (net)**		
		AED	AED
	Forex (gain) / loss	**(242,883)**	148,883
	Bank charges	**3,273**	3,986
		(239,610)	152,869

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15	**Other income**	**April 01, 2023 to March 31, 2024**	April 01, 2022 to March 31, 2023
		AED	AED
	Other income	**48,102**	3,534,128
	Profit on sale of asset	-	9,177
		48,102	3,543,305

16 Financial instruments

Financial instruments of the establishment comprises of other assets and other liabilities.

(a) Credit risk

Financial assets which potentially expose the establishment to concentration of credit risk comprise principally other receivables.

(b) Currency risk

There were no significant rate risks as substantially all financial assets and financial liabilities are denominated in United Arab Emirates Dirhams.

(c) Interest rate risk

At the reporting date the establishment has no exposure to interest rate risk as it has no interest rate bearing financial instruments.

(d) Fair values

At the financial statement date, the fair values of company's financial assets and liabilities approximate their carrying amounts.

17 Contingent assets and liabilities

There has been no known contingent liability or capital commitment on establishment's account as of balance sheet date.

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18 Comparative amounts

The financial statements of the company for the year ended March 31, 2023 were audited by another auditor who expressed an unqualified opinion on those statement on March 31,2023.

Certain accounts of the previous year have been reclassified to conform with the presentation of the current year.

The financial statements on pages 6 to 27 were approved by the board of directors on May 22, 2024 and signed on its behalf by:

For Shriram EPC (FZE)

Huda Abdulla Mohammad Hassan Abdulla
Manager
May 22, 2024

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