

Powerica Power Systems (FZE)
Sharjah, United Arab Emirates
Financial Statements
For the year ended 31 March 2025



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF POWERICA POWER SYSTEMS (FZE)

Report on the Audit of the Financial Statements

We have audited the financial statements of Powerica Power Systems (FZE) ("the Company"), which comprise the statement of financial position as at 31 March 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statement, comprising summary of material accounting policy information and other explanatory information.

Opinion

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Basis for Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

Our responsibilities under those Standards are further described in the Auditors' 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 of Accountants Code of Ethics for Professional Accountant (the "IESBA code") together with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for preparation of the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Company's Memorandum and Articles of Association and for internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We are 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 omission, 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.
- 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 doubts on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to 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 event or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements.



Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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.

Report on other legal and regulatory requirements

The financial statement of the Company complies with the applicable provision of the Emiri Decree No. 2 of 1995 issued in Sharjah on May 8, 1995.

Chirag Gupta
RNG Auditors L.L.C
Registration No. 5615

Place: Sharjah, UAE

Date: 09 May 2025



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Statement of Financial Position

As at 31 March 2025

	Note	2025 AED	2024 AED
ASSETS			
Non-Current assets:			
Property, plant and equipment	8	975,616	101,756
Total Non-Current Assets		975,616	101,756
Current assets:			
Inventories	9	233,582	167,466
Trade and other receivable	10	17,572,913	4,724,158
Cash and bank Balances	11	973,097	244,435
Total Current Assets		18,779,592	5,136,059
Total Assets		19,755,208	5,237,815
EQUITY AND LIABILITIES			
Equity:			
Share capital	12	150,000	150,000
Retained earnings		4,174,182	3,332,863
Total Equity		4,324,182	3,482,863
Non-current liabilities:			
Employees' end of service benefit	13	6,758	5,394
Secured Loan	14	414,694	-
Total Non- Current Liabilities		421,452	5,394
Current liabilities:			
Secured Loan	14	239,016	-
Trade and other Payables	15	12,171,372	83,091
Due to related parties	16	2,599,186	1,666,467
Total Current Liabilities		15,009,574	1,749,558
Total Liabilities		15,431,026	1,754,952
Total Equity and Liabilities		19,755,208	5,237,815

The accompanying notes form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 09 May 2025 and signed on their behalf by:

Farhad Hormazdi
Manager

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



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Statement of Profit and loss and Other Comprehensive Income

For the year ended 31 March 2025

	Note	2025 AED	2024 AED
Revenue	17	10,571,795	8,842,172
Cost of revenue	18	(7,920,026)	(7,415,920)
Gross profit		2,651,770	1,426,252
Other income	19	256,897	95,341
General and Administration expenses	20	(1,733,748)	(1,569,367)
Depreciation	8	(118,007)	(19,441)
Financial Charges	21	(169,473)	(20,059)
Profit/ (Loss) for the year before tax		887,439	(87,274)
Corporate tax	23	(46,120)	-
Profit/ (Loss) for the year after tax		841,320	(87,274)
Other comprehensive income		-	-
Total comprehensive Profit/ (Loss) for the year		841,320	(87,274)

The accompanying notes form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 09 May 2025 and signed on their behalf by:



Farhad Hormazdi
Manager

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



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Statement of Changes in Equity

for the year ended 31 March 2025

	Share Capital AED	Accumulated Profits AED	Total AED
At 01 April 2023	150,000	3,420,137	3,570,137
(Loss) for the year	-	(87,274)	(87,274)
At 31 March 2024	150,000	3,332,863	3,482,863
At 01 April 2024	150,000	3,332,863	3,482,863
Profit for the year	-	841,320	841,320
At 31 March 2025	150,000	4,174,182	4,324,182

The accompanying notes form an integral part of these financial statements.

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



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Statement of Cash Flows

for the year ended 31 March 2025

	2025 AED	2024 AED
Cash Flows from Operating Activities:		
Profit / (Loss) for the year	841,320	(87,274)
Adjustments for non-cash items:		
Depreciation	118,007	19,441
Loss on sale of Vehicle	14,500	-
Interest expenses on Vehicle Loan	21,410	-
Fixed Deposit Interest	(198,871)	-
Financial Costs	169,473	(20,759)
Provision for Staff Terminal Benefits	1,364	5,394
Operating cash before changes in working capital	967,202	(42,380)
Changes in working capital		
Net movement in trade and other receivables	(12,822,115)	(3,784,972)
Net movement in Inventories	(66,116)	(92,384)
Net movement in trade and other payables	12,065,141	(903,614)
Net movement in Due to related parties	932,719	1,666,467
Net cash flow from operating activities	1,076,831	(3,064,499)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,171,967)	(121,197)
Sale of Property, plant and equipment	165,600	-
Fixed Deposit Interest	172,231	-
Net cash used in investing activities	(834,137)	(121,197)
Cash flows from financing activities		
Secured Loans	748,000	-
Loan Repayment	(76,226)	-
Financial Costs	(169,473)	(20,759)
Interest Expenses on Vehicle Loan	(16,334)	-
Net cash flow from financing activities	485,967	(20,759)
Net movement in cash and cash equivalents	728,662	(3,205,755)
Cash and cash equivalents at beginning of the year	244,435	3,450,190
Cash and cash equivalents at end of the year	973,097	244,435

The accompanying notes form an integral part of these financial statements.

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



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

1. Legal status and principal activities

Powerica Power Systems (FZE), ("the Company") was incorporated on 09 February 2022 under Commercial license number 22913 as Free Zone Est. with Limited Liability and operates in the United Arab Emirates under the license issued by the Sharjah Airport International Free Zone, Government of Sharjah, United Arab Emirates.

The principal activities of the Company are providing services of Power Generation, Transmission & Distribution Equipment Trading.

The registered office of the Company is located at Saif Suite, Z-55, Sharjah, United Arab Emirates.

The management and control of the Company is vested with Mr. Farhad Jahangir Hormazdi, Manager.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and as per the requirements of the applicable laws of the UAE.

Basis of measurement

The financial statements have been prepared under the historical cost convention except for the followings:

- Derivative financial instruments are measured at fair value and
- Financial assets at fair value through other comprehensive incomes

The accounting policies have been consistently applied throughout the year and remain unchanged from the previous year unless specified separately.

Functional and presentation currency

These financial statements are presented in AED, which is the functional currency of the Company.

Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of the asset or liability affected in future periods.



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

2. Basis of preparation (continued)

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 on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that may have a material effect on the amounts recognized in the financial statements are described as separate notes subsequently. The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Depreciation on property, plant and equipment

Management assigns useful lives and residual value of property, plant and equipment based on the intended use and the economic lives of those assets. Subsequent changes in circumstances could result in actual useful lives or residual values differing from initial estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book value in excess of the residual value is depreciated over the revised remaining useful life.

Impairment of assets

Assessment of net recoverable amounts of property, plant and equipment and all financial assets other than trade receivables are based on higher of fair value, less cost to sale and value in use. Value in use calculation is based on the assumptions regarding future cash flow expected to be received from the related assets.

Impairment of trade receivables

The Management regularly undertakes a review of the recovery status of amounts due from either third parties or related parties. Such a review is made based on variety of factors, including the overall quality and ageing of the receivables, continuing credit evaluation of the related party's financial conditions and collateral requirements. Based on the review, assumptions are made regarding the extent of impairment allowance required.



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

3. Summary of material accounting policy information

The Company has consistently applied the accounting policies as provided below to all periods presented in these financial statements, except as stated otherwise.

a. Financial instruments

Financial assets and financial liabilities are initially recognized in the financial statements when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

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

Financial assets

All regular way purchase or sale of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either at amortized cost or fair value, depending on the classification of the financial assets.

Subsequent measurement

The Company's financial assets comprise of cash and bank balances, current and other receivables and amounts due from related parties, which are measured at amortized cost. The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayment, plus the cumulative amortization using the effective interest rate method of any difference between that initial amount and the maturity amount, adjusted for any impairment allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any impairment loss allowance. Interest income, foreign exchange gains or losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing the financial assets. The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to the Management.



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

3. Summary of material accounting policy information (continued)

a. Financial instruments (continued)

Effective Interest Rate Method

The effective interest rate method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transactions costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

Impairment of financial assets (including receivables)

IFRS 9: Financial Instruments requires to follows an Expected Credit Loss (“ECL”) model for the impairment of financial assets. The ECL model requires the Company to account for expected credit losses and changes to those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

Impairment of financial assets (including receivables)

Expected losses shall be measured and provided either at an amount equal to (a) 12 months’ expected losses; or (b) life time expected losses. If the credit risk of the financial instrument has not increased significantly since inception, then an amount equal to 12 months expected credit loss is provided. In other cases, lifetime credit losses shall be provided. For trade receivables without a significant financing component a simplified approach is available, whereby an assessment of the increase in credit risk need not be performed at each reporting date. Instead, a Company can choose to provide for expected losses based on lifetime expected losses.

The Company makes use of a simplified approach for accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instruments. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Company assesses the impairment of trade receivables on a collective basis as they possess shared risk characteristics, they have been grouped based on the number of days past due.



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

3. Summary of material accounting policy information (continued)

a. Financial instruments (continued)

Write off

The Company writes off a financial asset when there is information indicating that the debtors are in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the asset of the Company after deducting all of its liabilities.

Financial liabilities - Classification, subsequent measurement and gains or losses

Financial liabilities are classified as measured at amortized cost or fair value through profit or loss (FVTPL). Financial liability is classified as at FVTPL if it is contingent consideration of an acquirer in a business combination or classified as held for trading, or it is a derivative or it is designated as at FVTPL on initial recognition. Financial liabilities at amortized cost are initially measured at fair value and subsequently measured at amortized cost using an effective interest rate method. Interest expenses and foreign exchange gain and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss to the extent that they are part of a designated hedging relationship.

Significant financial liabilities of the Company include other payables and accruals which are initially measured at fair value and subsequent at amortized cost using the effective interest method.



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

3. Summary of material accounting policy information (continued)

a. Financial instruments (continued)

De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfer the rights to financial assets and substantially all the risks and rewards of ownership of the financial assets to another Company or in which the Company neither transfer nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial assets.

If the Company neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred assets, the Company recognizes its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received, and receivable is recognized in profit or loss. In addition, on de-recognition of an interest in a debt instrument classified as fair value through other comprehensive income ("FVTOCI") the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on de-recognition of an investment in equity instruments which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

De-recognition of financial liabilities

The Company de-recognizes financial liabilities when and only when its' contractual obligations are discharged or cancelled or have expired. The difference between the carrying amount of a financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

The Company also derecognizes financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value.

It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms including any fees paid net of any fees received and discounted using the original effective interest rate is at least ten percent different from the discounted present value of the remaining cash flows of the original financial liability. The difference



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

3. Summary of material accounting policy information (continued)

a. Financial instruments (continued)

De-recognition of financial liabilities (continued)

between the carrying amounts of the financial liability extinguishes and the new financial liability with modified terms is recognized in the profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when and only when the Company:

- currently has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis or to realize the asset and settle the liabilities simultaneously.

Income and expenses are not offset in profit or loss unless required or permitted by IFRS.

b. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items including installation costs. Subsequent costs are included in the assets' carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the reporting period in which they are incurred.

The depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

	Years
Motor Vehicle	5

The assets' residual values and useful lives are reviewed at the end of the reporting period, with the effect of any changes in estimates adjusted on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gains or losses arising on the disposal or retirement of an item of property, plant and equipment are determined by comparing the disposal proceeds with the carrying amount of the asset and is recognized in the profit or loss.



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

3. Summary of material accounting policy information (continued)

c. Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amount of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

d. Provision

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to any provision are recognized in the profit or loss, net of any reimbursement.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Provisions are not recognized for future operating losses.

e. Provision for employees' end of service benefits

The provision for employees' end of service benefits is made in accordance with the UAE Labor laws and is based on the current remuneration and period of service at the end of the reporting period.

Provision is made for the estimated liability for employees' entitlement to annual leave as a result of services rendered by the employees up to the end of the reporting period. The provision related to annual leave is disclosed as a current liability, while the provision relating to employees' end of service benefits is disclosed as a non-current liability.



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

3. Summary of material accounting policy information (continued)

f. Cash and cash equivalent

Cash and cash equivalents consist of cash at bank free of encumbrance with a maturity date of three months or less from the date of deposit, which are subject to insignificant risk of change in their fair value and are used by the Management for its short-term commitments.

g. Foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of outstanding amounts of such transactions are recognized in the profit or loss.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into the functional currency at the foreign exchange rate ruling at that date. Gains or losses resulting from such transactions are also recognized in the profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into the functional currency at the foreign exchange rate prevailing at the date of the initial transaction. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are re-measured at the rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in the fair value of the item.

h. Corporate Taxes

The Company provides for current tax in accordance with the applicable tax laws and represents the amount of corporate tax payable (or receivable) for the period, based on the taxable income (or loss) of the period, using the tax rates enacted or substantively enacted at the reporting date.

Current corporate tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Any adjustments to prior period current taxes are recorded as part of the current tax expense or income.

i. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on weighted average cost basis, and comprises direct material and, where applicable, direct labour cost and those overheads that have been incurred in bringing them to their present location and condition. Net realizable value represents the estimate of the selling price in the ordinary course of business, less all estimated cost to completion and costs necessary to make the sale.



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

3. Summary of material accounting policy information (continued)

j. Revenue recognition

The application of IRFS 15 – “Revenue from Contracts with Customers” requires management to apply the following accounting policy:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excluding discounts, rebates, customer returns and other sales taxes or duty e.g. VAT. The following specific recognition criteria followed before revenue are recognized.

Contract revenue and revenue from sale of goods:

The Company recognizes revenue from contracts with customers based on the five steps model as set out in IFRS-15:

Step 1 – Identify the contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 – Identify the performance obligation in the contract: A performance obligation is a promise in a contract with a customer to transfer a goods or service to the customer.

Step 3 – Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to customer, excluding amounts collected on behalf of third parties.

Step 4 – Allocate the transaction price to the performance obligation in the contract: For a contract that has more than one performance obligations, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 – Recognize revenue when (or as) the Company satisfies a performance obligation at a point in time or overtime.



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

3. Summary of material accounting policy information (continued)

j. Revenue recognition (continued)

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhances; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The performance obligation where one of the above conditions is not met, revenue is recognized at the point in time at which the performance obligation is satisfied. The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied overtime or at a point in time in order to determine the appropriate method of recognizing revenue. As part of the impact assessment exercise, Entity has concluded that the majority of its arrangement, it is either creating or enhancing an asset controlled by the customer or it is creating an asset with no alternative use and has an enforceable right to payment for completed. Therefore, it meets the criteria to recognize revenue overtime and measure progress of its projects through the cost to complete method (input method) at its best depicts the transfer of control of products and services under each performance obligation. When the Company satisfies a performance obligation by delivering the promised goods or service, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to contract liability.

Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excludes taxes and duty. The Company assesses its revenue arrangement against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognized in the statement of comprehensive income to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and the revenue and costs, if applicable, can be measured reliably.



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

3. Summary of material accounting policy information (continued)

k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

l. Current versus non-current classification

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

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting year. or;
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting year. or;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

All other liabilities are classified as non-current.

4. Application of new and revised Standards

4.1 New and amended IFRS Accounting Standards that are effective for the current period

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IAS 1: Presentation of financial statements relating to classification of liabilities as current or non-current liabilities with covenants;
- Amendments to IFRS 16: Lease liability in sale and lease back;



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

4. Application of new and revised Standards (continued)

- to IAS 7 and IFRS 7: Supplier finance arrangements.

Other than the above, there are no other significant IFRS Accounting Standards, amendments or interpretations that were effective for the first time for the financial year beginning on or after 1 January 2024.

4.2 New and revised IFRS Accounting Standards in issue but not yet effective and not early adopted

The Company has not early adopted the following new and revised standards that have been issued but are not yet effective. The management is in the process of assessing the impact of the new requirements.

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability	1 January 2025
Amendments to IFRS 9: Financial Instruments and IFRS 7: Financial Instruments - Disclosures regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18: Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10: Consolidated Financial Statements and IAS 28: Investments in Associates and Joint Ventures	Effective date deferred indefinitely. Adoption is still permitted.

Management anticipates that amendments to existing standards and new standards will be adopted in the financial statements in the initial year when they become mandatorily effective. The impact of these new standards and amendments to existing standards are currently being assessed by the Management.



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

5. Financial risk management

Overview

The Company's activities expose it to a variety of financial risk e.g., credit risk, liquidity risk, market risk and operational risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk. The Board of Directors has overall responsibility for the Company and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, 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 products.

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to meet its contractual obligations leading to a financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily for accounts receivable and other receivables and committed transactions) and from financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Company deals only with highly reputed local and international banks. In respect of major customers, credit risk is managed by assessing the credit quality of these major customers, taking into account their financial position, past experience and other factors including regular follow up.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

	2025 AED	2024 AED
Trade and other receivable	8,227,370	2,097,572
Bank Balances	973,097	244,435
Fixed Deposits	9,279,500	2,460,564
	<u>18,479,967</u>	<u>4,802,571</u>



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

5. Financial risk management (continued)

Trade Receivables

Based on historical information in relation to customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.

Bank balances

The Company limits its credit risk with regard to bank balances by dealing only with reputable banks. The credit risk is limited to the carrying values of the financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company manages liquidity risk through risk management framework for the Company's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent to ensure funds are available to meet its commitment for liabilities as they fall due.

The schedule illustrated below analyses the Company's remaining contractual maturity for its financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Below table shows the maturity profile of financial liabilities on the basis of residual maturity as at 31 March 2025.

	Contractual cash flows	
	Carrying Amount	Within 1 year
	AED	AED
Trade and other payables	12,171,372	12,171,372

Market rate risk

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



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

5. Financial risk management (continued)

Currency risk

The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's transactions are predominantly undertaken in AED or United States Dollars (USD) to which AED is currently pegged. As at the reporting date, there were no significant foreign currency denominated monetary assets and liabilities.

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate is limited to its interest-bearing assets and liabilities which are very insignificant.

Operational risk

Operational risk is the risk of direct or indirect loss arising from the Company's operations coming from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The Company's objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

6. Determination of fair values

Certain of the Company's accounting policies and disclosures require the determination of fair value of financial and non-financial assets. Fair values have been determined for measurement and / or disclosure purposes based on the prescribed methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and counterparty when appropriate. At the statement of financial position date, the fair values of financial assets and liabilities approximate their carrying amounts.



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

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

7. Capital Management

The Company's main objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Owner of the Company ensures that the Company will be able to continue as a going concern while providing maximum return to shareholders through the optimization of the debt and equity balance and maintaining an optimal capital structure to reduce the cost of the capital.

The capital structure of the Company consists of equity funds including Shareholders' current account as presented in the statement of financial position. Debts comprise total amounts due to third parties, net of cash at bank. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

There were no changes in the Company's approach to capital management during the year. Capital comprises the share capital and retained earnings and is measured at and AED 4,174,182 as at 31 March 2025 and AED 3,482,863 as at 31 March 2024.



Powerica Power Systems (FZE)
Sharjah, United Arab Emirates

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

8. Property, plant and equipment

	Motor Vehicle AED	Total AED
Cost		
At 1 Apr 2023	-	-
Additions during the year	121,197	121,197
At 31 Mar 2024	121,197	121,197
At 1 Apr 2024	121,197	121,197
Additions during the year	1,171,968	1,171,968
Sale during the year	(220,443)	(220,443)
At 31 Mar 2025	1,072,722	1,072,722
Accumulated depreciation:		
At 1 Apr 2023	-	-
Depreciation charge for the year	19,441	19,441
At 31 Mar 2024	19,441	19,441
At 1 Apr 2024	19,441	19,441
Depreciation charge for the year	118,007	118,007
Depreciation on sale of assets during the year	(40,343)	(40,343)
At 31 Mar 2025	97,105	97,105
Net book value:		
At 31 Mar 2024	101,756	101,756
At 31 Mar 2025	975,616	975,616

Motor Vehicles include AED 115,000(NRV: AED 114,811) being the cost of one vehicle registered in the name of Director held in trust and for the benefit of the Entity.



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

9. Inventories

	2025 AED	2024 AED
Spare Parts*	233,582	167,466

*Inventories are managed, valued and certified by the management and kept at third party location in Warehouse, Jebel Ali Free Zone, Dubai, U.A.E.

10. Trade and Other Receivable

	2025 AED	2024 AED
Trade Receivable	2,798,131	2,097,572
Prepayments	66,043	38,153
Fixed Deposits	9,279,500	2,460,564
Accrued Interest on Fixed Deposits	95,292	68,651
Other Receivable	5,333,947	59,218
	17,572,913	4,724,158

Ageing analysis of trade receivable

Age analysis of the gross receivable that are past due but not impaired is as follows:

	2025 AED	2024 AED
Due for less than 30 days	1,081,404	2,029,584
Due for more than 30 days less than 60 days	1,368,060	-
Due for more than 90 days less than 180 days	-	26,485
Due for more than 180 days less than 365 Days	97,055	41,503
Due for more than 365 Days	251,612	-
	2,798,131	2,097,572



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements
for the year ended 31 March 2025**11. Cash and bank Balances**

	2025 AED	2024 AED
Bank Balances	973,097	244,435

12. Share capital

The authorized and issued share capital of the Company is AED 150,000/- divided into 1 shares of AED 150,000/- each fully paid. Shareholder, of the Company as of 31 March 2025 was as follows:

<u>Name of Shareholder</u>	<u>Domicile</u>	Shares of AED 150,000/- Each 2025	Percentage of share - holder 2025
M/s. Powerica Limited	India	1	100%

13. Employee end of service benefit:

	2025 AED	2024 AED
Opening Balance	5,394	-
Provision during the year	1,364	5,394
At 31 December	6,758	5,394

14. Secured Loan

	2025 AED	2024 AED
Loan on Mercedes Benz	653,710	-
Current portion of loan	239,016	-
Non - current portion of loan	414,694	-
	653,710	-

*The above loan is secured and interest-bearing loan at flat rate of 3.79% p.a. and repayable in 36 installments.



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

15. Trade and other Payables

	2025 AED	2024 AED
Trade payables	39,745	816
Advance from customers	11,897,427	-
Salary payables	-	19,500
Remuneration payable (Refer note 16(a)(i))	25,000	55,000
Reimbursement Payable (Refer note 16(a)(i))	54,951	2,000
Provisions	154,249	5,775
	<u>12,171,372</u>	<u>83,091</u>

16. Related parties' transactions

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24, Related Party Disclosures. Such related parties comprise the Shareholders, key management personnel, associates, joint ventures and entities which are controlled directly or indirectly by the shareholders of the Company or over which they exercise significant influence.

The Management decides the terms and conditions of the transactions and services received from and rendered to related parties as well as other charges, if applicable. These terms correspond to those on normal arms-length transactions with third parties.

The following balances were outstanding at the end of the reporting period:

a) Amount due to related party

The following balances were outstanding at the end of the reporting year:

	2025 AED	2024 AED
(i) Current Liability		
Trade payable to Powerica Limited	2,599,186	1,666,467
Remuneration Payable to Mr. Farhad Hormazdi	25,000	55,000
Reimbursement Payable to Mr. Farhad Hormazdi	54,951	2,000
	<u>2,679,137</u>	<u>1,723,467</u>



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

16. Related parties' transactions (continued)**b) Significant transaction with related party during the period:**

	2025 AED	2024 AED
(i) Cost of revenue		
(a) Powerica Limited	<u>7,071,645</u>	<u>7,185,429</u>
(ii) Management Remuneration to Mr. Farhad Hormazdi	<u>660,000</u>	<u>660,000</u>

17. Revenue

	2025 AED	2024 AED
Revenue from operations	<u>10,571,795</u>	<u>8,842,172</u>

18. Cost of Revenue

	2025 AED	2024 AED
Opening stock	167,466	167,466
Add: Purchases (Refer note 16(b)(i))	7,423,839	7,364,214
Less: Closing stock	<u>(233,582)</u>	<u>(167,466)</u>
	7,357,723	7,364,214
Direct Expenses	<u>562,303</u>	<u>51,706</u>
	<u>7,920,026</u>	<u>7,415,920</u>

19. Other Income

	2025 AED	2024 AED
FD Interest Income	198,871	95,341
Freight Inward	19,832	-
Project Management Services	<u>38,194</u>	<u>-</u>
	<u>256,897</u>	<u>95,341</u>



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

20. General and Administration expenses

	2025 AED	2024 AED
Legal and Professional Expenses	65,617	26,488
Rent Expenses	659,038	606,660
Salary and Other Staff Related benefits	197,391	228,249
Travel Expenses	78,711	26,952
Managerial Remuneration (Refer Note 16(b)(ii))	660,000	660,00
Other Expenses	72,990	21,018
	<u>1,733,748</u>	<u>1,569,367</u>

21. Finance Charges:

	2025 AED	2024 AED
Bank Charges	12082	8,757
Bank Guarantee Charges	134,643	6,594
Exchange Gain and Loss	22,748	4,708
	<u>169,473</u>	<u>20,059</u>

22. Contingent Liability

	2025 AED	2024 AED
Corporate Guarantee	<u>6,723,272</u>	<u>881,400</u>

During previous year, the Company engaged in two transactions to install 2 x5.6MW Diesel Engine Generator with Saipem Clough for Australia Project and 8.4Mw Power Plant at Zuha Island at Dubai. To ensure the fulfillment of contractual obligations of Bank Guarantees, the Company obtained two Bank Guarantees from Standard Chartered Bank on 25th December 2024 for EUR 824,030 which remains valid till 21st March 2026 as advance BG and another on 17th September 2024 for USD 972,200 which remains valid till 10th September 2026 as Project Guarantee.



Powerica Power Systems (FZE)

Sharjah, United Arab Emirates

Notes to the Financial Statements

for the year ended 31 March 2025

23. 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 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

As the Company follows an accounting period that starts on 1 April and ends on 31 March so the first tax period for the Company will be the period from 1 April 2024 to 31 March 2025, with the respective tax return to be filed on or before 31 December 2025. The taxable income of the Company will be subject to Corporate Tax at the rate of 9% on taxable profits above a threshold limit of AED 375,000.

The tax liability of the Company is computed as follows:

Tax Computation	2025 AED
Accounting Profit/Loss as per IFRS	887,439
Add: Non-deductible expenses as per UAE CT	-
Taxable profit	887,439
Taxable profit above AED 375,000	512,439
0% on taxable profit up to AED 375,000	-
9% on taxable profit above AED 375,000	46,120
Total UAE corporate tax expenses	46,120

During the year ended 31 March 2025, the Company has no temporary differences and therefore, no deferred tax liabilities or deferred tax assets have been recognized in these financial statements

24. Comparative amounts

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

