

SEPC (FZE)
(formerly SHRIRAM EPC (FZE))
SHARJAH, UAE

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024**

SEPC (FZE)
(formerly SHRIRAM EPC (FZE))
SHARJAH, UAE

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024**

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SEPC (FZE) (formerly SHRIRAM EPC (FZE)) **SHARJAH, UAE**

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

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

Principal activities

The principal activities of the establishment are investment in commercial enterprises & management and management consultancy.

During the year, the activity listed on the service license no. 12054 was changed from general trading to investment in commercial enterprises & management.

Financial results and appropriations

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

Results of operations

	For the year 2024 AED	For the year 2023 AED
Revenue	-	-
Cost of revenue	-	-
Gross profit / (loss) for the year	-	-
Operating expenses	20,789	126,922
(Loss) from operating activities	(20,789)	(126,922)
Other income	-	-
Net (loss) for the year before tax	(20,789)	(126,922)
Corporate tax	-	-
Net (loss) for the year after tax	(20,789)	(126,922)
Other comprehensive income	-	-
Net (loss) and other comprehensive income for the year after tax	(20,789)	(126,922)

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.



Shareholders and their interests

The authorised, issued and paid up capital of the establishment is AED 150,000 (1 ordinary shares of AED 150,000 each). M/s SEPC Limited, India, is the sole shareholder holding 100% of the issued and paid up share capital of the establishment as at the reporting date.

As per amendment in the Memorandum of Association dated July 29, 2024, the establishment changed the name of shareholding company from M/s Shriram EPC Limited, India to M/s SEPC Limited, India and the changes were notified to SAIF-Zone.

Subsequent event

As per amendment in the Memorandum of Association dated February 24, 2025, the establishment changed its name from Shriram EPC (FZE) to SEPC (FZE). The name change was formally approved by the management. All necessary amendments to the establishment's statutory documents including the service licenses, certificate of incorporation and the Memorandum of Association (with all other provisions remaining unchanged), have been duly completed. The management has confirmed that the process to update the name with the UAE Federal Tax Authority (FTA) is currently in progress.

Manager

The establishment is being managed and controlled by 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 SEPC (FZE) (formerly Shriram SEPC (FZE))





Huda Abdullah Mohammad Hassan Abdulla
Manager

May 15, 2025



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of M/s SEPC (FZE) (formerly Shriram EPC (FZE)), Sharjah, UAE, ("the establishment") which comprise the statement of financial position as at December 31, 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 establishment as at December 31, 2024, 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 establishment 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 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 financial statements, management is responsible for assessing the establishment's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the establishment or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the establishment's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 establishment'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. 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.

Reports on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, the financial statements include, in all material respects, the applicable requirements of the Sharjah Airport International Free Zone Authority pursuant to Law No.2 of 1995; proper books of account have been kept by the establishment, and the contents of the report of the manager relating to these financial statements are consistent with the books of account.

We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995 have occurred during the year which would have had a material effect on the business of the establishment or on its financial position.

M/s NBN Auditing of Accounts

May 19, 2025

Fahad Saleh Ali
License Number : 817951
Auditor's Registration No : 814
Dubai, United Arab Emirates



SEPC (FZE) (formerly SHRIRAM EPC (FZE))

SHARJAH, UAE

Statement of Financial Position

as of December 31, 2024

(In United Arab Emirates Dirhams)

	Notes	December 31,	
		2024	2023
		AED	AED
Assets			
Non current assets			
Property, plant and equipment	5	-	-
Investment in subsidiary	6	1,685,354	1,685,354
Total non current assets		1,685,354	1,685,354
Current assets			
Due from related party	7	9,093,913	9,093,913
Trade receivables	8	29,039,596	29,039,596
Other receivables and prepayments	9	31,565,601	31,564,801
Cash in hand and at banks	10	54,436	59,225
Total current assets		69,753,546	69,757,535
Total assets		71,438,900	71,442,889
Liabilities and shareholder's equity			
Shareholder's equity			
Share capital	11	150,000	150,000
Retained earnings		(61,443)	(40,654)
Total shareholder's equity		88,557	109,346
Current liabilities			
Due to related party	7	36,147,912	36,147,912
Trade payables	12	33,053,865	33,037,065
Sundry payables and accruals	13	2,148,566	2,148,566
Provision for corporate tax	14	-	-
Total current liabilities		71,350,343	71,333,543
Total liabilities and shareholder's equity		71,438,900	71,442,889

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 28 were approved by the manager of the establishment on May 15, 2025 and signed on its behalf by:



For SEPC (FZE) (formerly Shriram EPC (FZE))

(Signature)

Huda Abdulla Mohammad Hassan Abdulla

Manager

May 15, 2025



SEPC (FZE) (formerly SHRIRAM EPC (FZE))
SHARJAH, UAE

Statement of Profit or Loss and Other Comprehensive Income
for the year ended December 31, 2024
(In United Arab Emirates Dirhams)

	Notes	For the year ended December 31,	
		2024	2023
		AED	AED
Revenue	15	-	-
Cost of revenue	16	-	-
Gross profit / (loss) for the year		-	-
Depreciation	5	-	28
General and administrative expenses	17	16,000	121,678
Financial expenses (net)	18	4,789	5,216
Total operating expenses		20,789	126,922
(Loss) from operating activities		(20,789)	(126,922)
Other income		-	-
Net (loss) for the year before tax		(20,789)	(126,922)
Corporate tax		-	-
Net (loss) for the year after tax		(20,789)	(126,922)
Other comprehensive income		-	-
Net (loss) and other comprehensive income for the year after tax		(20,789)	(126,922)

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 28 were approved by the manager of the establishment on May 15, 2025 and signed on its behalf by:

For SEPC (FZE) (formerly Shriram EPC (FZE))



Huda Abdulla Mohammad Hassan Abdulla
Manager
May 15, 2025



SEPC (FZE) (formerly SHRIRAM EPC (FZE))
SHARJAH, UAE

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

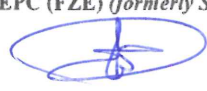
	For the year ended December 31,	
	2024	2023
	AED	AED
Cash flows from / (used in) operating activities:		
Net (loss) and other comprehensive income for the year after tax	(20,789)	(126,922)
Adjustments for:		
Depreciation	-	28
Corporate tax	-	-
Operating (loss) before changes in operating assets and liabilities	(20,789)	(126,894)
(Increase) in other receivables and prepayments	(800)	(10,894)
Increase in trade payables	16,800	122,364
Increase in sundry payables and accruals	-	5,000
Cash flows (used in) operating activities	(4,789)	(10,424)
Corporate tax paid	-	-
Net cash flows (used in) operating activities	(4,789)	(10,424)
Cash flows from / (used in) investing activities:		
Net cash from / (used in) investing activities	-	-
Cash flows from / (used in) financing activities:		
Net cash flows from / (used in) financing activities	-	-
Net (decrease) in cash and cash equivalents	(4,789)	(10,424)
Cash and cash equivalents, beginning of the year	59,225	69,649
Cash and cash equivalents, end of the year	54,436	59,225
Represented by:		
Cash at bank	54,436	59,225
	54,436	59,225

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 28 were approved by the manager of the establishment on May 15, 2025 and signed on its behalf by:

For SEPC (FZE) (formerly Shriram EPC (FZE))




Huda Abdulla Mohammad Hassan Abdulla
 Manager
 May 15, 2025



SEPC (FZE) (formerly SHRIRAM EPC (FZE))
SHARJAH, UAE

Statement of Changes in shareholder's Equity
for the year ended December 31, 2024
(In United Arab Emirates Dirhams)

	Share capital	Retained earnings	Total
	<u>AED</u>	<u>AED</u>	<u>AED</u>
Balance at January 01, 2023	150,000	86,268	236,268
Net (loss) for the year after tax	-	(126,922)	(126,922)
Balance at December 31, 2023	150,000	(40,654)	109,346
Net (loss) for the year after tax	-	(20,789)	(20,789)
Balance at December 31, 2024	150,000	(61,443)	88,557

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 28 were approved by the manager of the establishment on May 15, 2025 and signed on its behalf by:

For SEPC (FZE) (formerly Shriram EPC (FZE))



Huda Abdulla Mohammad Hassan Abdulla
Manager
May 15, 2025



SEPC (FZE) (formerly SHRIRAM EPC (FZE)) SHARJAH, UAE

Notes to the Financial Statements for the year ended December 31, 2024

1 LEGAL STATUS & ACTIVITIES

- SEPC (FZE) (formerly Shriram EPC (FZE)), Sharjah, UAE ("the establishment") is registered under Sharjah Airport International Free Zone Authority, Sharjah, UAE and the establishment operates under the service license no.12054 issued on May 23, 2013 and the service license no. 12055 issued on May 23, 2013.
- The principal activities of the establishment are investment in commercial enterprises & management and management consultancy. During the year, the activity listed on the service license no. 12054 was changed from general trading to investment in commercial enterprises & management.
- The principal place of the business is located in Saif Suite Y1-030, P.O. Box 121968, Sharjah Airport International Free Zone, Sharjah - UAE.
- The establishment is being managed and controlled by Huda Abdulla Mohammad Hassan Abdulla, the manager of the establishment.
- The authorised, issued and paid up capital of the establishment is AED 150,000 (1 ordinary shares of AED 150,000 each). M/s SEPC Limited, India, is the sole shareholder holding 100% of the issued and paid up share capital of the establishment as at the reporting date.

As per amendment in the Memorandum of Association dated July 29, 2024, the establishment changed the name of the shareholding company from M/s Shriram EPC Limited, India to M/s SEPC Limited, India and the changes were notified to SAIF-Zone.

Subsequent event

As per amendment in the Memorandum of Association dated February 24, 2025, the establishment changed its name from Shriram EPC (FZE) to SEPC (FZE). The name change was formally approved by the management. All necessary amendments to the establishment's statutory documents, including the service licenses, certificate of incorporation and the Memorandum of Association (with all other provisions remaining unchanged), have been duly completed. The management has confirmed that the process to update the name with the UAE Federal Tax Authority (FTA) is currently in progress.

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 Memorandum of Association of the establishment and rules and regulations of Sharjah Airport International Free Zone (SAIF) Authority.

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.

**SEPC (FZE) (formerly SHRIRAM EPC (FZE))
SHARJAH, UAE**

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

2 BASIS OF PREPARATION (continued)

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. Other material currency of the establishment is United States Dollars ("USD").

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

The establishment has adopted classification of liabilities as current or non-current (Amendments to IAS 1) and non-current liabilities with covenants (Amendments to IAS 1) from January 01, 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period.

This new policy did not result in a change in the classification of the establishment's borrowings if any. The establishment did not make retrospective adjustments as a result of adopting the amendments to IAS 1.

A number of other new standards are also effective from January 01, 2024 but they do not have a material effect on the establishment's financial statements.

Material accounting policies

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

a) Revenue recognition:

Revenue represents the invoiced value of investment in commercial enterprises & management and management consultancy services rendered during the year net of discounts, if any, falling within the company's ordinary activities.

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.

SEPC (FZE) (formerly SHRIRAM EPC (FZE)) SHARJAH, UAE

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

2 BASIS OF PREPARATION (continued)

Material accounting policies (continued)

a) Revenue recognition (continued):

As per IFRS 15 revenue is measured based on the consideration specified in a contract with 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 equipment	4 years
Computers & accessories	4 years

Any significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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 under the name of the establishment. 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.

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.

**SEPC (FZE) (formerly SHRIRAM EPC (FZE))
SHARJAH, UAE**

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

2 BASIS OF PREPARATION (continued)

Material accounting policies (continued)

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 establishment 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. 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.

**SEPC (FZE) (formerly SHRIRAM EPC (FZE))
SHARJAH, UAE**

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

2 BASIS OF PREPARATION (continued)

Material accounting policies (continued)

i) Financial instruments: (continued)

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.

SEPC (FZE) (formerly SHRIRAM EPC (FZE)) SHARJAH, UAE

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

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 December 31, 2024 the establishment is having a refund position with Federal Tax Authority regarding VAT.

m) *Corporate tax:*

On December 09, 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.

SEPC (FZE) (formerly SHRIRAM EPC (FZE)) SHARJAH, UAE

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

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.

As per corporate tax registration certificate, the financial year spans from January 01, 2024 to December 31, 2024. As on the balance sheet date, the establishment incurred a net (loss) of AED 20,789. Therefore, no tax provision has been recognised as of December 31, 2024.

i. Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

ii. 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.

SEPC (FZE) (formerly SHRIRAM EPC (FZE)) SHARJAH, UAE

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

2 BASIS OF PREPARATION (continued)

Material accounting policies (continued)

m) Corporate tax: (continued)

ii. Deferred tax: (continued)

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 company is liable for Corporate Tax (i.e., in the financial year 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.

As such, for financial year 2024 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 IAS 7 and IFRS 7

Supplier Finance Arrangements

Amendments to IAS 1

Non current liabilities with covenants and classification of liabilities as current or non-current

Amendments to IFRS 16

Lease liability in a sale and leaseback

Standard issued but not yet effective

A number of new standards are effective for annual periods beginning after January 01, 2024 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
Lack of Exchangeability – Amendments to IAS 21	January 01, 2025
Classification and measurement of financial instruments- Amendments to IFRS 9 & IFRS 7	January 01, 2026
Annual improvements to IFRS Accounting standards- volume 11	January 01, 2026

SEPC (FZE) (formerly SHRIRAM EPC (FZE)) SHARJAH, UAE

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

2 BASIS OF PREPARATION (continued)

Material accounting policies (continued)

Standard issued but not yet effective (continued)

New standards or amendments	Effective date
IFRS 18- Presentation and disclosure in financial statements	January 01, 2027
IFRS 19- Subsidiaries without public accountability: Disclosures	January 01, 2027
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 is 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.

SEPC (FZE) (formerly SHRIRAM EPC (FZE)) SHARJAH, UAE

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

3 DETERMINATION OF FAIR VALUES (continued)

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 entirety level (Level 1, 2 or 3);

(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.

SEPC (FZE) (formerly SHRIRAM EPC (FZE)) SHARJAH, UAE

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

4 FINANCIAL RISK MANAGEMENT (continued)

a) Credit risk (continued)

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 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. As on the reporting date, the establishment is not exposed to any significant liquidity risk.

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 has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

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

4 FINANCIAL RISK MANAGEMENT (continued)

c) Market rate risk (continued)

Managing interest rate benchmark reform and associated risks (continued)

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').

i. Currency risk

The establishment is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of establishment. The functional currencies of establishment are primarily the United Arab Emirates Dirham (AED) and United States Dollars (USD).

The exchange rate of AED is pegged against USD and hence the establishment's exposure to currency risk is not materially significant in case of AED / USD.

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.

SEPC (FZE) (formerly SHRIRAM EPC (FZE))
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Notes to the Financial Statements (continued)
for the year ended December 31, 2024
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5 Property, plant and equipment	Office equipment	Computer & accessories	Total
	<u>AED</u>	<u>AED</u>	<u>AED</u>
Cost:			
At January 01, 2023	17,236	4,458	21,694
Additions during the year	-	-	-
At December 31, 2023	17,236	4,458	21,694
Additions during the year	-	-	-
At December 31, 2024	<u>17,236</u>	<u>4,458</u>	<u>21,694</u>
Accumulated Depreciation:			
At January 01, 2023	17,236	4,430	21,666
Depreciation for the year	-	28	28
At December 31, 2023	17,236	4,458	21,694
Depreciation for the year	-	-	-
At December 31, 2024	<u>17,236</u>	<u>4,458</u>	<u>21,694</u>
Net book value:			
At December 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>
At December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>

**SEPC (FZE) (formerly SHRIRAM EPC (FZE))
SHARJAH, UAE**

**Notes to the Financial Statements (continued)
for the year ended December 31, 2024
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6	Investment in subsidiary	Proportion of ownership interest	Proportion of voting power	December 31,	
				2024	2023
				<u>AED</u>	<u>AED</u>
	Shriram EPC Arkan LLC, Oman	70%	100%	<u>1,685,354</u>	<u>1,685,354</u>

Note: The principal activities Shriram EPC Arkan LLC are: water well drilling, other activities related to construction of buildings, construction of outdoor swimming pools, maintenance and repair of wells and falajas, other activities related to other specialized construction activities, other activities related to construction of utility projects, management offices, construction and maintenance of airports and harbours, construction of buildings (general constructions of residential and non-residential buildings), construction of sewer systems, other activities related to construction of other civil engineering projects, construction of roads (including roads, bridges and tunnels), construction of foundations and structures, concrete work, brick laying, scaffolding, roof covering etc, construction of water, electricity and telephone networks and stations and construction and maintenance of railways.

7 Due from / to related parties

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

The establishment 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	December 31,	
	2024	2023
	<u>AED</u>	<u>AED</u>
SVL Limited, India	<u>9,093,913</u>	<u>9,093,913</u>

**SEPC (FZE) (formerly SHRIRAM EPC (FZE))
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**Notes to the Financial Statements (continued)
for the year ended December 31, 2024
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7 Due from / to related parties (continued)

Due to related parties

December 31,	
2024	2023
<u>AED</u>	<u>AED</u>
Shriram EPC Arkan LLC, Oman	27,879,107
SEPC Limited, India	8,268,805
36,147,912	36,147,912

8 Trade receivables

December 31,	
2024	2023
<u>AED</u>	<u>AED</u>
Trade receivables	29,039,596

a) Ageing analysis

December 31,	
2024	2023
<u>AED</u>	<u>AED</u>
0 - 180 days	-
More than 180 days	29,039,596
29,039,596	29,039,596

b) Credit analysis

At the financial statement date, 2 customers accounted for 100% (2023 : 2 customers for 100%) of the total outstanding trade receivables.

c) The fair value of trade receivables is not materially different from their balances shown in the financial statement.

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Notes to the Financial Statements (continued)
for the year ended December 31, 2024
(In United Arab Emirates Dirhams)

9 Other receivables and prepayments	December 31,	
	2024	2023
	<u>AED</u>	<u>AED</u>
Advance to suppliers	31,535,476	31,535,476
Duties & taxes (refer note)	25,678	24,878
Other advances	4,447	4,447
	<u>31,565,601</u>	<u>31,564,801</u>

Note: As on December 31, 2024 the establishment had a VAT refundable position with Federal Tax Authority amounting to AED 25,678 (2023: AED 24,878).

10 Cash in hand and at banks	December 31,	
	2024	2023
	<u>AED</u>	<u>AED</u>
Bank balances	54,436	59,225

Note: components of cash and cash equivalents:

	December 31,	
	2024	2023
	<u>AED</u>	<u>AED</u>
Cash in hand and at banks	54,436	59,225
Less: deposit / bank overdraft	-	-
Cash and cash equivalents for the purpose of cashflow statement	<u>54,436</u>	<u>59,225</u>

11 Share capital	December 31,	
	2024	2023
	<u>AED</u>	<u>AED</u>
Authorised, issued and fully paid up; (1 ordinary share of AED 150,000)	150,000	150,000

SEPC (FZE) (formerly SHRIRAM EPC (FZE))
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Notes to the Financial Statements (continued)
for the year ended December 31, 2024
(In United Arab Emirates Dirhams)

12	Trade payables	December 31,	
		2024	2023
		<u>AED</u>	<u>AED</u>
	Trade payables	33,053,865	33,037,065
13	Sundry payables and accruals	December 31,	
		2024	2023
		<u>AED</u>	<u>AED</u>
	Retention payables	2,143,566	2,143,566
	Professional fee payable	5,000	5,000
		<u>2,148,566</u>	<u>2,148,566</u>
14	Provision for corporate tax	December 31,	
		2024	2023
		<u>AED</u>	<u>AED</u>
	Balance as at January 01,	-	-
	Provision for the year	-	-
	Paid during the year	-	-
	Closing balance	<u>-</u>	<u>-</u>
<p>Note: As per corporate tax registration certificate, the financial year spans from January 01, 2024 to December 31, 2024. As on the balance sheet date, the establishment incurred a net (loss) of AED 20,789. Therefore, no tax provision has been recognised as of December 31, 2024.</p>			
15	Revenue	For the year ended December 31,	
		2024	2023
		<u>AED</u>	<u>AED</u>
	Revenue	-	-

Note: There were no sales executed during the year.

SEPC (FZE) (formerly SHRIRAM EPC (FZE))
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Notes to the Financial Statements (continued)
for the year ended December 31, 2024
(In United Arab Emirates Dirhams)

16	Cost of revenue	For the year ended December 31,	
		2024	2023
		AED	AED
	Cost of revenue	-	-
17	General and administrative expenses	For the year ended December 31,	
		2024	2023
		AED	AED
	Legal, professional and municipal charges	16,000	121,100
	Other general & administrative expenses	-	578
		16,000	121,678
18	Financial expenses (net)	For the year ended December 31,	
		2024	2023
		AED	AED
	Bank charges	5,040	4,421
	Forex (gain) / loss	(251)	795
		4,789	5,216
19	Financial instruments		
	Financial instruments of the establishment comprises of cash and bank balances, trade receivables, other receivables and prepayments, trade payables and sundry payables and accruals.		
a)	Credit risk		
	Financial assets which potentially expose the establishment to concentration of credit risk comprise principally bank accounts, and other receivables.		
	The establishment's bank accounts are placed with high quality financial institutions.		
b)	Currency risk		
	Financial assets and liabilities denominated in foreign currencies are translated to AED at the foreign exchange rates ruling at the balance sheet date. The corresponding exchange gains and losses are shown in the statement of profit or loss and other comprehensive income.		

SEPC (FZE) (formerly SHRIRAM EPC (FZE))

SHARJAH, UAE

Notes to the Financial Statements (continued)

for the year ended December 31, 2024

(In United Arab Emirates Dirhams)

19 Financial instruments (continued)

c) Interest rate risk

The establishment is not exposed to any significant interest rate risk.

d) Liquidity risk

The establishment manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The establishment maintains good working relations with its banks.

e) Fair values

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

20 Contingent assets and liabilities

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

21 Comparative amounts

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 28 were approved by the manager of the establishment on May 15, 2025 and signed on its behalf by:

For SEPC (FZE) (formerly Shriram EPC (FZE))



Huda Abdulla Mohammad Hassan Abdulla

Manager

May 15, 2025