AMARA RAJA BATTERIES MIDDLE EAST (FZE)
SHARJAH, UNITED ARAB EMIRATES

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED MARCH 31, 2025

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FALCON INTERNATIONAL
CONSULTING & AUDITING L.L.C - DUBAI BRANCH

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AMARA RAJA BATTERIES MIDDLE EAST (FZE)
SHARJAH, UNITED ARAB EMIRATES

Report of the Directors
For the year ended March 31, 2025

The Directors have pleasure in presenting their report and the audited financial statements for the year ended March 31, 2025.

PRINCIPAL ACTIVITIES

The company is mainly engaged in the activity of Trading of batteries and related products

BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENTS

The company's performance was satisfactory with a turnover of AED 4,347,891 (P.Y. AED 2,501,185) for the year ended March 31, 2025. The Company has achieved a gross margin of 26.76% (P.Y. 28.07%) and a net profit of AED 736,283 (P.Y. AED 504,894) during the year. The Directors are optimistic about the prospects for the ensuing year and expect to improve the performance of the company.

RISK MANAGEMENT & INTERNAL CONTROL SYSTEMS

The Company is committed to the management of risk to achieve sustainability, employment and surplus. The risk management framework identifies, assesses, manages and reports risk on a consistent and reliable basis. The primary risks are those of credit, market (liquidity, interest rate and foreign exchange) and operational risk.

The management recognizes their responsibility for system of internal control and for reviewing its effectiveness. In view of the above, company continuously monitors risks through means of administrative and information systems.

CREDITORS PAYMENT POLICY

The Company maintains a policy of paying suppliers in accordance with terms and conditions agreed with them.

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Report of the Directors (continued)
For the year ended March 31, 2025

PROPERTY, PLANT & EQUIPMENT

The movements in the tangible property, plant and equipment account is set out in note 4 of the financial statements.

AUDITORS

The Auditors, M/s FALCON INTERNATIONAL CONSULTING & AUDITING, Chartered Accountants, Dubai, United Arab Emirates are willing to continue in office and a resolution to re-appoint them will be proposed in the upcoming Annual General Meeting.

DIRECTORS RESPONSIBILITIES

The Company law requires the Directors to prepare the financial statements for each financial year which gives a true and fair view of the state of affairs of the company and net profit or (loss) for that year and to enable them to ensure that the financial statements comply with the relevant governing laws.

ACKNOWLEDGMENTS

The Directors wish to place on record the sincere gratitude for the continuous support extended by various government departments, bankers, customers, suppliers, employees and all well wishers.

On behalf of the Board of Directors

Mr. Rohit Arora (Director)
May 20, 2025

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AMARA RAJA BATTERIES MIDDLE EAST (FZE)

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INDEPENDENT AUDITOR'S REPORT

To
The Directors
M/s. Amara Raja Batteries Middle East (FZE)
Saif Suite X4-12,
PO Box 124018,
Sharjah, UAE.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **M/s. Amara Raja Batteries Middle East (FZE** (the "Establishment") **Sharjah, UAE,** which comprise the statement of financial position as at **March 31, 2025** and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Establishment financial statements give a true and fair view of the financial position of the Establishment as at **March 31, 2025**, and of 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 UAE, 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 of financial statements that give a true and fair view 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 skepticism 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Establishment to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For FALCON INTERNATIONAL CONSULTING & AUDITING L.L.C – DUBAI BRANCH

Chartered Accountants

Managing Partner
(Rakesh Jain)
Reg. No: 606

P.O. Box: 44624
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May 20, 2025

AMARA RAJA BATTERIES MIDDLE EAST (FZE)
SHARJAH, UNITED ARAB EMIRATES

STATEMENT OF FINANCIAL POSITION AS ON MARCH 31, 2025

	Notes	31-03-2025 AED	31-03-2024 AED
NON-CURRENT ASSETS			
(a) Property, plant and equipment	4	**1,015**	2,136
(b) Other non current assets	5	**68,706**	24,705
		69,721	26,841
CURRENT ASSETS			
(a) Trade receivables	6	**409,638**	76,098
(b) Other receivables	7	**23,277**	11,452
(C) Other current assets	8	**78,606**	58,827
(d) Due from related parties	9	**1,120,748**	672,028
(e) Inventory	10	**464,282**	339,791
(f) Cash and cash equivalents	11	**1,225,872**	1,815,040
		3,322,423	2,973,236
TOTAL ASSETS		**3,392,144**	3,000,077
EQUITIES & LIABILITIES			
(a) Share capital		**300,000**	300,000
(b) Retained earnings	12	**2,526,523**	1,790,240
		2,826,523	2,090,240
NON-CURRENT LIABILITIES			
(a) Provision for employees benefit	13	**72,857**	54,984
		72,857	54,984
CURRENT LIABILITIES			
(a) Trade payables	14	**60,842**	107,390
(b) Other payables	15	**16,128**	170,253
(c) Current tax liability	16	**35,731**	-
(d) Due to related party	17	**380,063**	577,210
		492,764	854,853
TOTAL LIABILITIES		**565,621**	909,837
TOTAL EQUITY AND LIABILITIES		**3,392,144**	3,000,077

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

The report of the Independent auditor is set out on pages 3 to 4.

We confirm that we are responsible for these financial statements,including selecting the accounting policies and making the judgements underlying them.

Approved by the Directors on May 20, 2025

For AMARA RAJA BATTERIES MIDDLE EAST (FZE)

Mr Rohit Arora (Director)

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AMARA RAJA BATTERIES MIDDLE EAST (FZE)
SHARJAH, UNITED ARAB EMIRATES

STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

	Notes	31-03-2025 AED	31-03-2024 AED
Sales	18	**4,347,891**	2,501,185
Cost of sales	19	**(3,184,503)**	(1,798,994)
Gross profit		**1,163,388**	702,191
Other Income	23	**1,120,749**	672,029
Deduct			
General and administrative expenses	20	**1,269,753**	748,479
Finance charges	21	**5,393**	5,665
Selling & Distribution expenses	22	**235,856**	114,060
Depreciation (Refer Note No. 4)		**1,121**	1,122
Total operating expenses		**1,512,123**	869,326
Profit for the year before tax		**772,014**	504,894
Current tax for the year		**35,731**	-
Net profit for the year after corporate tax		**736,283**	504,894

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

The report of the Independent auditor is set out on pages 3 to 4.

Approved by the Directors on May 20, 2025

For AMARA RAJA BATTERIES MIDDLE EAST (FZE)

Rohit Arora

Mr Rohit Arora (Director)

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AMARA RAJA BATTERIES MIDDLE EAST (FZE)
SHARJAH, UNITED ARAB EMIRATES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

	Share Capital	Retained Earnings	Total AED
Balance as at 31-03-2023	300,000	1,285,346	**1,585,346**
Net profit for the year	-	504,894	**504,894**
Balance as at 31-03-2024	**300,000**	**1,790,240**	**2,090,240**
Net profit for the year	-	736,283	**736,283**
Balance as at 31-03-2025	**300,000**	**2,526,523**	**2,826,523**

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

The report of the Independent auditor is set out on pages 3 to 4.

AMARA RAJA BATTERIES MIDDLE EAST (FZE)
SHARJAH, UNITED ARAB EMIRATES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

	31-03-2025 AED	31-03-2024 AED
Cash flows from operating activities		
Net profit for the year after corporate tax	**736,283**	504,894
Add:Provision for CT	**35,731**	-
Add:Depreciation	**1,121**	1,122
Funds generated from operations	**773,135**	506,016
Changes in working capital		
(Increase) / decrease in other non current assets	**(44,001)**	-
(Increase) / decrease in trade receivables	**(333,540)**	143,402
(Increase) / decrease in other receivables	**(11,825)**	21,784
(Increase) / decrease in other current assets	**(19,779)**	(42,394)
(Increase) / decrease in due from related parties	**(448,720)**	(156,991)
(Increase) / decrease in inventory	**(124,491)**	(1,196)
Increase / (decrease) in due to related parties	**(197,147)**	(35,905)
Increase / (decrease) in trade payables	**(46,548)**	88,184
Increase / (decrease) in other payables	**(154,125)**	86,118
Increase / (decrease) in Provision for employees benefit	**17,873**	14,598
Net cash inflow / (outflow) from working capital activities	**(1,362,303)**	117,600
Net cash inflow / (outflow) from operating activities	**(589,168)**	623,616
Cash flows from investing activities	-	-
Net cash inflow / (outflow) from investing activities	-	-
Cash flow from financing activities	-	-
Net cash inflow / (outflow) from financing activities	-	-
Net (decrease) / Increase in Cash and cash equivalents	**(589,168)**	623,616
Cash & cash equivalents at the beginning of the year	**1,815,040**	1,191,424
Cash & cash equivalents at the end of the year	**1,225,872**	1,815,040
Represented By:		
Cash and cash equivalents (Note No. 11)	**1,225,872**	1,815,040

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

The report of the Independent auditor is set out on pages 3 to 4.

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AMARA RAJA BATTERIES MIDDLE EAST (FZE)
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Notes to the Financial Statements for the year ended March 31, 2025

1. LEGAL STATUS AND BUSINESS ACTIVITIES

a) **M/s. Amara Raja Batteries Middle East (FZE)** (the "Company") was registered with the Sharjah Airport International Free Zone Authority, Sharjah., UAE, vide License No. 19817 issued on July 31, 2018 and the license is renewed up to July 31, 2025.

b) The company is mainly engaged in the activity of Trading of batteries and related products.

c) The management and control of the Company is vested with the Director Mr. Rohit Suresh Kumar Arora (Indian National).

d) The registered office address of the company is Saif Suite X4-12, PO Box 124018, Sharjah, UAE.

e) **SHARE CAPITAL**
Authorised, issued and paid up capital of the Company is AED 3,00,000 divided into 2 shares of AED 150,000 each fully paid and held by the Shareholders as follows:

Sl No	Name of Shareholders	No. of Shares	Amount AED	%
1	M/s Amara Raja Energy & Mobility Limited (Formerly known as Amara Raja Batteries Ltd)	2	300,000	100
		2	**300,000**	**100**

2. BASIS OF PREPARATION

a) Statement of compliance
The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and applicable provisions of relevant UAE Laws.

b) Basis of measurement
The financial statements have been presented in Dirhams ("AED") which is Company's functional and presentation currency.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

c) Going concern basis of accounting
The financial statements have been prepared on a going concern basis on the assumption that the Company will be able to meet is payment obligations as and when they fall due for payment, the bank finance and the financial support of the Shareholder would be available on a continuing basis. The Company's operations are profitable and it has a sound financial position.

BASIS OF PREPARATION (continue)

d) Accrual basis of accounting

The Company prepares the financial statements, except for cash flows information, using the accrual basis of accounting i.e. all items of assets, liabilities, equity, income and expenses are recognized as they arise.

e) Use of significant estimates, assumptions and judgements

Based on the historical experience and reasonable expectations of future events, the management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingencies and commitments. These relate to lives of items of property and equipment and investment properties and their residual values, impairment of property and equipment, investment properties, provision for doubtful trade advances and dues from related parties and write-down of inventories and provisions for staff end-of-service gratuity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted, and those have been consistently applied, are as follows:

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

b) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Specifically, the Company has applied a 5-step approach to revenue recognition:
Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continue)

Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the goods or services. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

<u>Recognition of revenue on rendering of services:</u>
Revenue from contract(s) to provide services in normal course of business is recognised at a point of time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised services to the customer.

Revenue from contract(s) to provide services is recognised over time when the services are rendered to the customer and the customer simultaneously receives and consumes the benefits provided by the company's performance as the entity performs or; company's performance creates or enhance an asset that the customer controls as the asset is created or enhanced 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.

c) Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

d) Property, plant and equipment

Recognition and measurement

The cost of an item of an equipment is recognized as an asset if, and only if, 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.

Items of property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Gains/losses on disposal are determined by reference to their

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carrying amount and are included in the statement of profit or loss. An assessment of residual values is undertaken at each reporting date and if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Depreciation
The cost less estimated residual value. where material, is depreciated using the straight-line method from the date of acquisition to the estimated useful lives of the assets as follows:

Office equipment's	5 Years
Computers	3 Years

e) Inventories
Inventories are stated at the lower of cost and net realizable value. Cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any estimated selling expenses and cost of completion and disposal.

f) Staff end-of-service benefits
Amount required to cover end of service indemnity at the balance sheet date are computed pursuant to United Arab Emirates Federal Labour Law based on the employees' accumulated period of service and basic remuneration at the balance sheet date.

g) Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.
In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash f lows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in following categories:
- Financial assets at amortised cost (cash and cash equivalents and trade receivables)
- Financial assets at fair value through profit or loss

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continue)

Impairment of financial assets

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for 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.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include amounts due to related parties, borrowings, lease liabilities and trade and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in following categories:

- Financial liabilities at amortised cost (trade &other payables)

Derecognition

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

iii. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

iv. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continue)

h) Taxation

i. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

On June 09, 2022, United Arab Emirates (UAE) Ministry of Finance (MoF) released Federal Decree Law No. 47 of 2022 on Taxation of Corporations and Businesses, Corporate Tax Law (CT Law) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after June 31, 2023.

The taxable income of the entities that are in scope for UAE CT purpose will be subject to the rate of 9% corporate tax for mainland entities and where conditions are met and 0% for freezone with certain conditions as specified in the law. The provision of corporate tax of AED 35,731 has been created.

ii. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

i) Value added tax ("VAT")

Expenses and assets are recognised net of the amount of VAT, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continue)

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

k) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised 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. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

m) Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on company's account as of balance sheet date.

n) Standards issued but not yet effective

The standards, amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continue)

- Lack of exchangeability- Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates- (mandatorily effective from 1 January 2025)
- Derecognition of financial liabilities, Classification of financial assets and Disclosures- Amendments to the IFRS 9 Classification and Measurement of Financial Instruments and IFRS 7 Financial Instruments: Disclosures- (mandatorily effective from 1 January 2026)
- Annual Improvements to IFRS Accounting Standards- Hedge Accounting by a First-time Adopter (Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards); Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7); Gain or Loss on Derecognition (Amendments to IFRS 7); Introduction and Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7); Derecognition of Lease Liabilities (Amendments to IFRS 9); Transaction Price (Amendments to IFRS 9); Determination of a 'De Facto Agent' (Amendments to IFRS 10); Cost Method (Amendments to IAS 7)- (mandatorily effective from 1 January 2026)
- Contracts Referencing Nature-dependent Electricity (previously Power Purchase Agreements)- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures- (mandatorily effective from 1 January 2026)
- Replacement of IAS 1 Presentation of Financial Statements by IFRS 18 Presentation and Disclosure in Financial Statements- (mandatorily effective from 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures- (mandatorily effective from 1 January 2027)

The Company is currently assessing the impact of these standards on the future financial statements and intends to adopt these standards, if applicable, when they become effective and mandatory applied.

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4. PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED MARCH 31, 2025

	Office Equipment & Computers	Total AED
Cost		
As on 01-04-2024	4,138	4,138
As at 31-03-2025	**4,138**	**4,138**
Accumulated depreciation		
As on 01-04-2024	2,002	2,002
For the year	1,121	1,121
As at 31-03-2025	**3,123**	**3,123**
Net Book Value as at 31-03-2025	**1,015**	**1,015**
Net Book Value as at 31-03-2024	2,136	2,136

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

The report of the Independent auditor is set out on pages 3 to 4.

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Notes related to the financial statements (continued) for the year ended March 31, 2025

		31-03-2025 AED	31-03-2024 AED
5	**OTHER NON CURRENT ASSETS**		
	Refundable deposits	**68,706**	24,705
		68,706	24,705
6	**TRADE RECEIVABLES**		
	Sundry debtors	**409,638**	76,098
		409,638	76,098
	Ageing analysis:		
	Due for less than 6 months	**409,638**	76,098
		409,638	76,098
7	**OTHER RECEIVABLES**		
	VAT Receivables	**23,277**	11,452
		23,277	11,452
8	**OTHER CURRENT ASSETS**		
	Deposits & Advances	**32,517**	16,433
	Prepayments	**46,089**	42,394
		78,606	58,827
9	**DUE FROM RELATED PARTIES**		
	M/s. Amara Raja Energy & Mobility Limited	**1,120,748**	672,028
	(Formerly known as Amara Raja Batteries Ltd)	**1,120,748**	672,028
10	**INVENTORY**		
	Stock in trade	**434,675**	339,791
	Stores & spares	**29,607**	-
		464,282	339,791
11	**CASH AND CASH EQUIVALENTS**		
	Cash at bank	**1,225,872**	1,815,040
		1,225,872	1,815,040
12	**RETAINED EARNINGS**		
	Opening balance	**1,790,240**	1,285,346
	Net profit for the year	**736,283**	504,894
		2,526,523	1,790,240
13	**PROVISION FOR EMPLOYEES BENEFIT**		
	Provision for employees benefit	**72,857**	54,984
		72,857	54,984
14	**TRADE PAYABLES**		
	Sundry creditors	**60,842**	107,390
		60,842	107,390

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	31-03-2025 AED	31-03-2024 AED
15 OTHER PAYABLES		
Advance from customers	**8,479**	162,821
Accruals & provisions	**7,649**	7,432
	16,128	170,253
16 CURRENT TAX LIABILITY		
Provision for CT	**35,731**	-
	35,731	-
17 DUE TO RELATED PARTY		
M/s Amara Raja Energy & Mobility Limited	**380,063**	577,210
(Formerly known as Amara Raja Batteries Ltd)	**380,063**	577,210
18 SALES		
Sales of product	**4,347,891**	2,501,185
	4,347,891	2,501,185
19 COST OF SALES		
Opening stock	**339,791**	338,595
Purchases including direct expenses	**3,279,387**	1,800,190
Less: Closing stock	**(434,675)**	(339,791)
	3,184,503	1,798,994
20 GENERAL & ADMINISTRATIVE EXPENSES		
Salaries and other related benefits	**763,046**	541,225
Rent & accomodation	**143,002**	14,434
Communication & utilities	**17,150**	27,867
Foreign exchange loss	**12,741**	2,048
Legal, professional charges	**99,623**	32,960
Rates & taxes	**98,475**	25,993
Travelling & vehicle expenses	**96,357**	102,414
Miscellaneous	**39,359**	1,538
	1,269,753	748,479
21 FINANCE CHARGES		
Bank charges & interest	**5,393**	5,665
	5,393	5,665
22 SELLING & DISTRIBUTION EXPENSES		
Selling & Distribution expenses	**9,936**	-
Freight expense	**225,920**	114,060
	235,856	114,060
23 OTHER INCOME		
Sales commission	**484,897**	353,142
Other income	**635,852**	318,887
	1,120,749	672,029

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24 CONTINGENT LIABILITY

Except for the ongoing business obligations which are under normal course of business against which no loss is expected,there has been no other known contingent liability or capital commitment on company's account as of balance sheet date.

25 RELATED PARTIES

The company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24.The management considers such transactions to be in the normal course of business.

	31-03-2025 AED	31-03-2024 AED
At the balance sheet date significant balances with related parties were as follows:		
Due from related parties	**1,120,748**	672,028
Due to related parties	**380,063**	577,210
Significant transactions with related parties during the year were as follows:		
Receivable against provision of service	**1,120,748**	672,028
Payable against purchase of goods	**380,063**	577,210

26 FINANCIAL INSTRUMENTS

Financial instruments of the company comprises of cash and bank balances,trade receivables, other receivables, due from related party, trade payables, other payables and bank borrowings.

Risk Management

Credit Risk

Financial assets which potentially expose the company to concentration of credit risk comprise principally bank balances, trade receivables, due from related party and other receivables.
The Company's bank accounts are placed with high quality financial institutions.

Currency Risk

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

Interest rate risk

Borrowing facilities are regularly reviewed to ensure that the company obtains the best available pricing terms and conditions on its borrowings. There is no borrowings.
All other loans, receivable and borrowings are subject to floating interest rates at levels generally obtained in the UAE or are linked to LIBOR and are therefore exposed to cash flow interest rate risk.

27 LEVEL OF PRECISION

All figures are rounded off to nearest Dirhams (AED).

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28 COMPARATIVE AMOUNTS

Figures of the previous year are regrouped/ reclassified whenever necessary to confirm the current year's presentation.

Approved by the Directors on May 20, 2025
For AMARA RAJA BATTERIES MIDDLE EAST (FZE)

Rohit Arora

Mr Rohit Arora (Director)

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