

**ELGI GULF MECHANICAL AND
ENGINEERING EQUIPMENT TRADING L.L.C
DUBAI**

**FINANCIAL STATEMENTS
31 MARCH 2025**

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ENGINEERING EQUIPMENT TRADING L.L.C
DUBAI**

**FINANCIAL STATEMENTS
31 MARCH 2025**

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GENERAL MANAGER'S REPORT

The General Manager have pleasure in submitting the report and audited financial statements of Elgi Gulf Mechanical and Engineering Equipment Trading L.L.C, Dubai ("the Company") for the year ended 31 March 2025.

Legal status and principal activities

The Company is registered as a limited liability company in the Emirate of Dubai pursuant to Federal Law No.2 of 2015 and its subsequent amendments which was superseded by Federal Law No. 32 of 2021 and its subsequent amendments (effective from 2 January 2022). The Company is operating under commercial license No. 840814 issued on 20 June 2019 by the Department of Economic Development, Government of Dubai.

The principal activity of the Company is trading in engines and machinery spare parts, pumps, engines and valves and spare parts.

The Company is wholly owned and controlled by M/s. Elgi Gulf FZE, Sharjah Airport International Free Zone, Sharjah. The Company is managed by Mr. Shyamsunder Pushpagiri Rammohan.

The principal place of business is located at office 20/1 Empire Heights, Podium Level 3, Business Bay, Dubai, UAE.

Operating results

During the year ended 31 March 2025, the Company achieved revenue of AED 25,221,384 (2024 – AED 23,106,771) and earned a profit after tax of AED 3,256,748 (2024 – AED 2,016,573).

Shareholding

The shareholding structure of the Company at the beginning and end of the reporting date is as follows:

| <u>Name of shareholders</u> | <u>Number of shares</u> | <u>% of shareholding</u> | <u>Value in AED</u> |
|--|-------------------------|--------------------------|---------------------|
| M/s. Elgi Gulf (FZE), Sharjah Airport International Free Zone, Sharjah | 300 | 100% | 300,000 |
| | === | ==== | ===== |

AUDITORS

Messrs VIBE Auditors L.L.C, the auditors of the Company, have indicated their willingness to continue in office.



Shyamsunder Pushpagiri Rammohan
Manager
23 April 2025

Ref: A/2025/4/1030

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ELGI GULF MECHANICAL AND ENGINEERING EQUIPMENT TRADING L.L.C, DUBAI

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Elgi Gulf Mechanical and Engineering Equipment Trading L.L.C, Dubai ("the Company") which comprise the statement of financial position as at 31 March 2025, statement of comprehensive income, statement of changes in shareholder's funds, statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory notes set out on pages 4 to 22.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* (the "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.

Other matter

The financial statements of the Company for the year ended 31 March 2024 were audited by another auditor who expressed an unqualified opinion on those financial statements on 13 May 2024.

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 IFRS Accounting Standards and in compliance with the applicable provisions of the Company's Memorandum of Association and the UAE Federal Law No. (32) of 2021, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 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 judgement and maintain professional skepticism throughout the audit. We also:

Ref: A/2025/4/1030

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ELGI GULF MECHANICAL AND ENGINEERING EQUIPMENT TRADING L.L.C, DUBAI (Continued)

Auditor's responsibilities for the audit of the financial statements (Continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Company 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.

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Law No. (32) of 2021, we report that:

- i) the Company has maintained proper books of account;
- ii) we have obtained all the information we considered necessary for the purposes of our audit;
- iii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Memorandum of Association and the UAE Federal Law No. (32) of 2021;
- iv) the financial information included in the General Manager's report is consistent with the books of account of the Company;
- v) note 17 reflects material related party transactions;
- vi) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 March 2025 any of the applicable provisions of the UAE Federal Law No. (32) of 2021 and its subsequent amendments or of its Memorandum of Association which would have a material impact on its activities or its financial position.



Benny A. Bejoy
Registration No. 5569

Partner
VIBE Auditors L.L.C



Dubai
23 April 2025

**ELGI GULF MECHANICAL AND ENGINEERING EQUIPMENT TRADING L.L.C
DUBAI**

**STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2025**

| | Note | 2025 AED | 2024 AED |
|--|------|-------------|-------------|
| Assets | | | |
| Non-current assets | | | |
| Furniture and equipment | 3 | 5,532 | 6,862 |
| Total non-current assets | | 5,532 | 6,862 |
| Current assets | | | |
| Inventories | 4 | 126,580 | 95,837 |
| Accounts and other receivables | 5 | 5,962,540 | 2,331,299 |
| Bank balance | 6 | 1,495,171 | 2,584,737 |
| Total current assets | | 7,584,291 | 5,011,873 |
| Total assets | | 7,589,823 | 5,018,735 |
| Shareholder's funds and liabilities | | | |
| Shareholder's funds | | | |
| Share capital | 7 | 300,000 | 300,000 |
| Statutory reserve | 8 | 150,000 | 150,000 |
| Retained earnings | | 5,732,890 | 2,476,142 |
| Total shareholder's funds | | 6,182,890 | 2,926,142 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Employees' terminal benefits | 9 | 300,686 | 266,969 |
| Total non-current liabilities | | 300,686 | 266,969 |
| Current liabilities | | | |
| Accounts and other payables | 10 | 1,106,247 | 1,825,624 |
| Total current liabilities | | 1,106,247 | 1,825,624 |
| Total liabilities | | 1,406,933 | 2,092,593 |
| Total shareholder's funds and liabilities | | 7,589,823 | 5,018,735 |




Shyamsunder Pushpagiri Rammohan
Manager
23 April 2025

The attached notes 1 to 21 form part of these financial statements.

**ELGI GULF MECHANICAL AND ENGINEERING EQUIPMENT TRADING L.L.C
DUBAI**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025**

| | Note | 2025 AED | 2024 AED |
|---|------|--------------|--------------|
| Income | | | |
| Revenue | 11 | 25,221,384 | 23,106,771 |
| Direct costs | 12 | (19,253,176) | (12,820,297) |
| | | ----- | ----- |
| Gross profit | | 5,968,208 | 10,286,474 |
| Other income | 13 | 6,526 | 2,727 |
| | | ----- | ----- |
| | | 5,974,734 | 10,289,201 |
| | | ----- | ----- |
| Expenses | | | |
| Management fee | 17 | -- | 7,308,368 |
| Salaries and employee related costs | | 1,426,285 | 511,325 |
| General and administration | 14 | 445,668 | 148,971 |
| Selling and distribution | 15 | 544,271 | 291,847 |
| Finance charges | 16 | 9,874 | 9,939 |
| Depreciation | 3 | 5,186 | 2,178 |
| | | ----- | ----- |
| | | 2,431,284 | 8,272,628 |
| | | ----- | ----- |
| Net profit and total comprehensive income before tax | | 3,543,450 | 2,016,573 |
| Corporate tax expense | 20 | 286,702 | -- |
| | | ----- | --- |
| Net profit and other comprehensive income for the year | | 3,256,748 | 2,016,573 |
| | | ===== | ===== |

The attached notes 1 to 21 form part of these financial statements.

**ELGI GULF MECHANICAL AND ENGINEERING EQUIPMENT TRADING L.L.C
DUBAI**

**STATEMENT OF CHANGES IN SHAREHOLDER'S FUNDS
FOR THE YEAR ENDED 31 MARCH 2025**

| | Share capital AED | Statutory reserve AED | Retained earnings AED | Total shareholder's funds AED |
|---|-------------------------|-----------------------------|-----------------------------|--|
| Year to 31 March 2025 | | | | |
| Balance at the beginning of the year | 300,000 | 150,000 | 2,476,142 | 2,926,142 |
| Income recognition | | | | |
| Total comprehensive income for the year | -- | -- | 3,256,748 | 3,256,748 |
| | --- | --- | ----- | ----- |
| Balance at the end of the year | 300,000 | 150,000 | 5,732,890 | 6,182,890 |
| | ===== | ===== | ===== | ===== |
| Year to 31 March 2024 | | | | |
| Balance at the beginning of the year | 300,000 | 60,956 | 548,613 | 909,569 |
| Income recognition | | | | |
| Total comprehensive income for the year | -- | -- | 2,016,573 | 2,016,573 |
| Other movements | | | | |
| Transfer during the year | -- | 89,044 | (89,044) | -- |
| | --- | ----- | ----- | --- |
| Balance at the end of the year | 300,000 | 150,000 | 2,476,142 | 2,926,142 |
| | ===== | ===== | ===== | ===== |

The attached notes 1 to 21 form part of these financial statements.

**ELGI GULF MECHANICAL AND ENGINEERING EQUIPMENT TRADING L.L.C
DUBAI**

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

| | Note | 2025 AED | 2024 AED |
|--|------|-------------|-------------|
| Cash flows from operating activities | | | |
| Net profit before tax for the year | | 3,543,450 | 2,016,573 |
| Adjustments for: | | | |
| Depreciation | 3 | 5,186 | 2,178 |
| Provision for employees' terminal benefits | 9 | 78,352 | 33,155 |
| | | ----- | ----- |
| Net cash from operating activities before changes in working capital | | 3,626,988 | 2,051,906 |
| (Increase)/ decrease in inventories | | (30,743) | 101,888 |
| Increase in accounts and other receivables | | (3,631,241) | (658,926) |
| (Decrease)/ increase in accounts and other payables | | (1,006,079) | 746,351 |
| Employees' terminal benefits paid during the year | 9 | (44,635) | -- |
| | | ----- | --- |
| Net cash (used in)/ from operating activities | | (1,085,710) | 2,241,219 |
| | | ----- | ----- |
| Cash flows from investing activities | | | |
| Purchase of furniture and equipment | 3 | (3,856) | (7,160) |
| | | ----- | ----- |
| Net cash used in investing activities | | (3,856) | (7,160) |
| | | ----- | ----- |
| (Decrease)/ increase in cash and cash equivalents during the year | | (1,089,566) | 2,234,059 |
| Cash and cash equivalents at beginning of the year | | 2,584,737 | 350,678 |
| | | ----- | ----- |
| Cash and cash equivalents at end of the year | 6 | 1,495,171 | 2,584,737 |
| | | ===== | ===== |

The attached notes 1 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
AT 31 MARCH 2025**

1 Legal status and principal activities

Elgi Gulf Mechanical and Engineering Equipment Trading L.L.C., Dubai (“the Company”) is a limited liability company incorporated in the Emirate of Dubai on 20 June 2019 under Federal Law No. (2) of 2015 and its subsequent amendments which was superseded by Federal Law No. 32 of 2021 and, its subsequent amendments (effective from 2 January 2022) and operates under license no. 840814 issued by the Department of Economic Development, Government of Dubai.

The principal activity of the Company is trading in engines and machinery spare parts, pumps, engines and valves and spare parts.

The Company is wholly owned and controlled by M/s. Elgi Gulf FZE, Sharjah Airport International Free Zone, Sharjah. The Company is managed by Mr. Shyamsunder Pushpagiri Rammohan.

The principal place of business is located at office 20/1 Empire Heights, Podium Level 3, Business Bay, Dubai, UAE.

2 Basis of preparation and material accounting policies and estimates

2.1 Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB. The financial statements have been prepared in Arab Emirates Dirhams.

In the current period, the Company has adopted all applicable new and revised Standards and Interpretations issued by IASB and the IFRIC that are effective for accounting periods beginning on or after 1 April 2024.

Basis of measurement

The financial statements are prepared under the historical cost convention and on the basis that the Company will continue to operate as a going concern. The principal accounting policies that have been applied consistently by the Company to all periods presented in these financial statements are set out below.

2.2 Changes in accounting policies

New and amended standards adopted by the Company

New and amended standards effective as of 1 April 2024 were either not relevant to the Company or did not have any material impact on the presentation and disclosure of items on the financial statements of the Company.

Amendments issued but not yet effective

The following standards and amendments to existing standards that are applicable to the Company have been published and are mandatory for accounting periods beginning after 1 April 2024, but which have not been early adopted by the Company:

a) IFRS 18 ‘Presentation and Disclosures in Financial Statements’

IFRS 18 replaces IAS 1 Presentation of Financial Statements. Many requirements in IAS 1 have been carried forward without any amendments and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. Furthermore, minor amendments have been made to IAS 7 Statement of Cash Flows and IAS 33 Earnings Per Share.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
AT 31 MARCH 2025**

2 Basis of preparation and material accounting policies and estimates (Continued)

2.2 Changes in accounting policies (Continued)

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

The revised IAS 8 and IFRS 7 as well as the amendments to IAS 7 and IAS 33 become effective when an entity applies IFRS 18.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. Earlier application is permitted. The Company is currently assessing the impact of the amendments on the presentation and disclosure of items in the financial statements for future periods.

b) IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027 and must be applied retrospectively. Earlier application is permitted. The amendments are not expected to have a material impact on the presentation and disclosure of items in the financial statements for future periods.

2.3 Material accounting policies

a) Current and non-current classification in the statement of financial position

An asset is current when it is:

- Held primarily for the purpose of trading
- Expected to be realized or intended to be sold/ consumed in the normal operating cycle
- Expected to be realized within twelve months after the reporting period
- Cash or cash equivalents

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
AT 31 MARCH 2025**

2 Basis of preparation and material accounting policies and estimates (Continued)

2.3 Material accounting policies (Continued)

a) Current and non-current classification in the statement of financial position (Continued)

All other assets are classified as non-current.

A liability is current when it is:

- Held primarily for the purpose of trading
- Expected to be settled in the normal operating cycle
- Due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

b) Furniture and equipment

Furniture and equipment are initially recorded at cost together with any incidental expenses of acquisition. Subsequently they are stated at cost less accumulated depreciation and accumulated impairment losses. Major costs incurred in restoring furniture and equipment to their normal working condition are charged to statement of comprehensive income.

Furniture and equipment are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income when the asset is derecognized.

c) Depreciation

Furniture and equipment are depreciated by equal annual installments over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

| | Years |
|-------------------------------|-------|
| Computer and office equipment | 2 |

The residual values, useful lives and methods of depreciation of furniture and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

d) Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment, excluding discounts. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent and has concluded that it is acting as a principal in all of its revenue arrangements, because the Company typically controls the goods or services before transferring to the customers.

Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the goods or services are transferred to the customer, normally on delivery to the customer.

Rendering of services

Revenue is recognized over time (the customer simultaneously receives and consumes the benefits) as the services are provided using the input method to measure progress towards complete satisfaction of the service. Under the input method, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation.

Others

- Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- Commission income is recognized when the underlying transaction is completed.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
AT 31 MARCH 2025**

2 Basis of preparation and material accounting policies and estimates (Continued)

2.3 Material accounting policies (Continued)

d) Revenue (Continued)

Separate performance obligations in the contract, if any, are identified and transaction price is allocated after considering the effects of variable consideration (rights of return, volume rebates etc.), significant financing component, non-cash consideration and any consideration payable to the customer.

Assurance-type warranties for general repairs of defects that existed at the time of sale and are accounted for under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Significant financing component – the Company does not expect to have any contracts where the period between the transfer of the goods or services to the customer and payment by the customer exceeds one year. As a result, the Company does not adjust any of the transaction prices for the time value of money. Short term advances from customers are not considered to be having significant financing component as the period between the receipt of advances and the transfer of promised goods or services will be one year or less.

e) Inventories

Inventories have been valued at lower of cost and net realizable value, after making due allowance for any obsolete and slow-moving items. Cost is determined by FIFO (First-In-First-Out) and consists of aggregate of purchase price and other related expenses incurred to bring the inventories to their present location and condition. Net realizable value is determined on estimated selling price less any estimated cost necessary to make the sales. Goods in transit are valued based on cost incurred up to the reporting date.

f) Cash and cash equivalents

Cash and cash equivalents consist of bank balance.

g) Financial instruments – recognition, classification, measurement, de-recognition and offsetting

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.

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability (other than FVTPL) is initially measured at fair value plus directly attributable transaction costs.

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

Classification and subsequent measurement

Financial assets: Classification

On initial recognition, a financial asset is classified as measured at:

- Amortized cost – debt instruments
- Fair value through other comprehensive income (FVOCI) – debt instruments (with recycling)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
AT 31 MARCH 2025**

2 Basis of preparation and material accounting policies and estimates (Continued)

2.3 Material accounting policies (Continued)

g) Financial instruments – recognition, classification, measurement, de-recognition and offsetting (Continued)

Classification and subsequent measurement (Continued)

- Fair value through other comprehensive income (FVOCI) – equity instruments (without recycling of cumulative gains or losses) or
- Fair value through profit or loss (FVTPL) – debt and equity instruments

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Other financial assets are classified at FVTPL. This assessment is performed at an instrument level. The Company's business model for managing financial assets refer 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 assets, or both. When the objective is to hold financial assets to collect contractual cash flows, it is classified at amortized cost and when the objective is to hold financial assets to collect contractual cash flows and selling, it is classified at FVTOCI.

Financial assets: Subsequent measurement

Debt instruments at amortized cost – These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of comprehensive income. Any gain or loss on derecognition is recognized in the statement of comprehensive income.

Financial liabilities: Classification and subsequent measurement

Financial liabilities are classified as measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of comprehensive income. Any gain or loss on derecognition is also recognized in the statement of comprehensive income.

Derecognition

Financial assets

A financial asset (or where applicable a part of a financial asset or a part of company of similar financial assets) is derecognized either when:

- (i.) the rights to receive cash flows from the asset have expired;
- (ii.) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- (iii.) the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
AT 31 MARCH 2025**

2 Basis of preparation and material accounting policies and estimates (Continued)

2.3 Material accounting policies (Continued)

g) Financial instruments – recognition, classification, measurement, de-recognition and offsetting (Continued)

Offsetting

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

h) Employees' terminal benefits

Provision is made for employees' terminal benefits on the basis prescribed under the Labour Law of the United Arab Emirates and are calculated based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment. Accordingly, the Company has no expectation of settling its employees' terminal benefits obligation in the near future.

i) Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on all debt instruments not held at fair through profit or loss. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collaterals or other credit enhancements that are integral to the contractual terms.

ECL are recognized in two stages. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. The Company has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the customers and the economic environment. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of comprehensive income.

j) Impairment of non-financial assets

At each reporting date, the Company assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Company estimates the recoverable amount of the asset and recognizes an impairment loss in the statement of comprehensive income. The Company also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in the statement of comprehensive income

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
AT 31 MARCH 2025**

2 Basis of preparation and material accounting policies and estimates (Continued)

2.3 Material accounting policies (Continued)

k) Leases

The Company assesses at contract inception whether 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, the contract is, or contains, a lease.

As a lessee

At the lease commencement date, the Company recognizes a right of use asset and a lease liability. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets include the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If the ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees and the exercise price of a purchase option reasonably certain to be exercised by the Company including payments of penalties for terminating the lease. The lease liability is measured at amortized cost using the effective interest rate method. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

l) Value added tax (VAT)

Assets, income and expenses are recognized net of the amount of VAT, except:

- When VAT incurred on purchase of assets or services is not recoverable (non-recoverable VAT is recognized 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.

The net amount of VAT recoverable from, or payable to, the Federal Tax Authority is included as part of accounts and other receivables/ accounts and other payables in the statement of financial position.

m) Income tax

Corporate tax has been implemented in the UAE by way of Federal Decree No. 47 of 2022 – Taxation of Corporations and Businesses and is effective from financial years commencing on or after 1 June 2023.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
AT 31 MARCH 2025**

2 Basis of preparation and material accounting policies and estimates (Continued)

2.3 Material accounting policies (Continued)

m) Income tax (Continued)

Current income tax – current income tax receivable/ payable is 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. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss.

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 liabilities are recognized for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized 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 items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

n) Foreign currencies

Functional and presentation currency

The financial statements are presented in Arab Emirates Dirham (AED), which is the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the reporting date are translated at rates of exchange ruling at that date. Exchange differences arising in these cases are dealt with in the statement of comprehensive income. 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 and those measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Exchange differences arising in these cases are dealt in line with the recognition of the gain or loss on the change in fair value of that item.

o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

2.4 Significant accounting estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
AT 31 MARCH 2025**

2 Basis of preparation and material accounting policies and estimates (Continued)

2.4 Significant accounting estimates (Continued)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial period are:

Impairment of furniture and equipment

A decline in the value of furniture and equipment could have a significant effect on the amounts recognised in the financial statements. Management assesses the impairment of furniture and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected.

Useful lives of furniture and equipment

The Company's management determines the estimated useful lives of its furniture and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Trade accounts receivable

The Company applies the simplified approach to measuring expected credit losses to its trade accounts receivable by using a provision matrix. The provision rates are based on days past due for companies of various customer segments that have similar loss patterns (type of product, geography, customer type, rating, security etc.) and is initially based on historical experience. The provision rates are adjusted with current conditions and the Company's view of economic conditions over the expected lives of the receivables. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates (considered as not significant) are analysed.

Cash and cash equivalents

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. While cash and cash equivalents are also subject to impairment, the identified impairment loss is considered immaterial.

Impairment of inventories

Inventories are held at the lower of cost or net realizable value. When inventories become old or obsolete, an estimate is made on their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)
AT 31 MARCH 2025**

3 Furniture and equipment

| Computer and office equipment | 2025 AED | 2024 AED |
|----------------------------------|-------------|-------------|
| Cost: | | |
| at the beginning of the year | 11,161 | 4,001 |
| additions during the year | 3,856 | 7,160 |
| | ----- | ----- |
| at 31 March | 15,017 | 11,161 |
| | ----- | ----- |
| Accumulated depreciation: | | |
| at the beginning of the year | 4,299 | 2,121 |
| charge for the year | 5,186 | 2,178 |
| | ----- | ----- |
| at 31 March | 9,485 | 4,299 |
| | ----- | ----- |
| Net book values: | | |
| at 31 March | 5,532 | 6,862 |
| | ===== | ===== |

4 Inventories

| | 2025 AED | 2024 AED |
|------------------|-------------|-------------|
| Goods for resale | 126,580 | 95,837 |
| | ----- | ----- |
| | 126,580 | 95,837 |
| | ===== | ===== |

5 Accounts and other receivables

| | 2025 AED | 2024 AED |
|--|-------------|-------------|
| Trade accounts receivable | 1,974,308 | 2,313,110 |
| Less: Allowance for expected credit losses | (10,556) | (10,556) |
| | ----- | ----- |
| | 1,963,752 | 2,302,554 |
| Due from shareholder | 3,754,325 | -- |
| VAT receivable | 125,764 | -- |
| Prepaid expenses | 98,529 | 27,239 |
| Advance to suppliers | 20,170 | 1,506 |
| | ----- | ----- |
| | 5,962,540 | 2,331,299 |
| | ===== | ===== |

- a) At the reporting date, 67% of trade accounts receivable are due from 20 customers (2024 – 71% due from 20 customers).
- b) The ageing analysis of trade accounts receivable is as follows:

| | 2025 AED | 2024 AED |
|----------------------------------|-------------|-------------|
| Debts due between 0 – 90 days | 1,963,297 | 2,299,982 |
| Debts due between 91 – 180 days | 5,853 | 1,338 |
| Debts due between 181 – 360 days | 5,158 | 11,315 |
| More than 360 days | -- | 475 |
| | --- | ---- |
| | 1,974,308 | 2,313,110 |
| | ===== | ===== |

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)
AT 31 MARCH 2025**

5 Accounts and other receivables (Continued)

- c) Trade accounts receivable are assessed for impairment based on a provision matrix and loss allowances are recognized based on lifetime expected credit losses.
- d) Unimpaired trade accounts receivable are considered collectible based on historic experience.

| 6 Bank balance | 2025 AED | 2024 AED |
|---------------------------|-------------|-------------|
| Current account with bank | 1,495,171 | 2,584,737 |
| Cash and cash equivalents | 1,495,171 | 2,584,737 |
| | ===== | ===== |

| 7 Share capital | 2025 AED | 2024 AED |
|---|-------------|-------------|
| Authorized, issued and paid-up capital: 300 shares of AED 1,000 each | 300,000 | 300,000 |
| | ===== | ===== |

8 Statutory reserve

As required by the Federal Law No. (32) of 2021 relating to commercial companies, 10% of the profit for the year has been transferred to a statutory reserve. Further, in accordance with the provisions of the said laws, the Company has resolved to discontinue such annual transfers since the balance in the reserve account reached 50% of the share capital. The reserve is not available for distribution except in circumstances as stipulated in the said law.

9 Employees' terminal benefits

The provision for end of service benefits for employees is made in consideration of the requirements of the labour laws of the UAE. This is an unfunded defined benefits retirement plan. Employees are entitled to benefits based on length of service and final remuneration and are payable on termination or completion of term of employment. The cost of providing these benefits is charged as an expense on an annual basis.

Movements in the provision recognized in the statement of financial position are as follows:

| | 2025 AED | 2024 AED |
|--------------------------------------|-------------|-------------|
| Balance at the beginning of the year | 266,969 | 20,404 |
| Provided during the year | 78,352 | 33,155 |
| Paid during the year | (44,635) | -- |
| Transfer from shareholder (Note 17) | -- | 213,410 |
| | --- | ----- |
| Balance at the end of the year | 300,686 | 266,969 |
| | ===== | ===== |

10 Accounts and other payables

| | 2025 AED | 2024 AED |
|---------------------------------------|-------------|-------------|
| Advance from customers | 581,578 | 668,862 |
| Provision for corporate tax (Note 20) | 286,702 | -- |
| Payable to employees | 198,704 | 182,266 |
| Trade accounts payable | 14,763 | -- |
| Other payables | 24,500 | -- |
| Due to shareholder | -- | 799,253 |
| VAT payable | -- | 175,243 |
| | --- | ----- |
| | 1,106,247 | 1,825,624 |
| | ===== | ===== |

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)
AT 31 MARCH 2025**

| | | |
|-------------------|---------------------|---------------------|
| 11 Revenue | 2025 AED | 2024 AED |
| Third parties | 25,221,384 ===== | 23,106,771 ===== |

a) The geographical region wise sales/ services during the year is as follows:

| | | |
|-------------|----------------------------|----------------------------|
| | 2025 AED | 2024 AED |
| Within UAE | 25,221,384 | 23,024,476 |
| Outside UAE | -- | 82,295 |
| | --- 25,221,384 ===== | --- 23,106,771 ===== |

b) Revenue represents revenue from sale of goods and services with third party customers and related parties and are being recognized at a point in time.

| | | |
|------------------------------|---------------------|---------------------|
| 12 Direct costs | 2025 AED | 2024 AED |
| Opening stock | 95,837 | 197,725 |
| Purchases (Note 17) | 19,101,295 | 12,751,647 |
| Less: Closing stock (Note 4) | (126,580) | (95,837) |
| | ----- | ----- |
| Cost of goods sold | 19,070,552 | 12,853,535 |
| Other direct costs | 182,624 | (33,238) |
| | ----- | ----- |
| | 19,253,176 ===== | 12,820,297 ===== |

| | | |
|--------------------------------------|----------------|----------------|
| 13 Other income | 2025 AED | 2024 AED |
| Gain on foreign currency fluctuation | 44 | 2,679 |
| Others | 6,482 | 48 |
| | ----- | --- |
| | 6,526 ===== | 2,727 ===== |

| | | |
|---|------------------|------------------|
| 14 General and administration expenses | 2025 AED | 2024 AED |
| Repairs and maintenance | 215,261 | 46,879 |
| Legal and professional expenses | 149,707 | 48,975 |
| Rent | 41,667 | 39,694 |
| Printing and stationery | 23,281 | 13,423 |
| Insurance | 5,333 | -- |
| Communication expenses | 1,226 | -- |
| Others | 9,193 | -- |
| | ----- | --- |
| | 445,668 ===== | 148,971 ===== |

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)
AT 31 MARCH 2025**

| | | |
|---|-------------|-------------|
| 15 Selling and distribution expenses | 2025 AED | 2024 AED |
| Transportation charges | 324,377 | 41,045 |
| Advertisement expenses | 202,264 | 245,292 |
| After sales services | 17,630 | 5,510 |
| | ----- | ----- |
| | 544,271 | 291,847 |
| | ===== | ===== |
| 16 Finance charges | 2025 AED | 2024 AED |
| Bank charges | 9,874 | 9,939 |
| | ----- | ----- |
| | 9,874 | 9,939 |
| | ===== | ===== |

17 Related party transactions

The Company has in the ordinary course of business, entered into commercial and financial transactions with concerns, in which the shareholder/directors/manager and/or their relatives have an investing/controlling interest. Prices and terms of these transactions are approved by the management.

The volumes of these transactions during the year were:

| Related party relationship | Type of transaction | 2025 AED | 2024 AED |
|----------------------------|--|-------------|-------------|
| Manager | Salaries and employee related costs | 490,405 | 447,779 |
| Shareholder | Purchases (Note 12) | 18,858,456 | 12,415,303 |
| | Management fee | -- | 7,308,368 |
| | Transfer of employee terminal benefits (Note 19) | -- | 213,410 |
| | | == | ===== |

- a) The amounts due to / from related parties are unsecured, interest free and are payable or receivable on demand.
- b) Management fee in the previous year represents fee payable to a shareholder based on the terms of arrangements entered between the Company and the shareholder.

18 Financial risk and capital management

18.1 Financial risk factors

Financial assets of the Company include accounts and other accounts and other receivables and bank balance. Financial liabilities include accounts and other payables. The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks.

a) Currency risk

The Company operates mainly in the Middle East region. The currencies of many countries in the Middle East region in which the Company operates is fixed to the Arab Emirates Dirham and therefore the exposure to foreign exchange risk arising from transactions in those currencies is not material.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
AT 31 MARCH 2025**

18 Financial risk and capital management (Continued)

18.1 Financial risk factors (Continued)

b) Credit risk

The Company has concentrations of credit risk at the reporting date (Note 5a)). However, it has policies in place to ensure that sales are made to customers with an appropriate credit history. Cash is placed with high quality and established commercial banks.

c) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due.

The Company manages liquidity risk on the basis of expected maturity dates of liabilities which is categorized as follows:

| 31 March 2025 | On demand AED | 0-3 months AED | 3-12 months AED | Total AED |
|-----------------------------|------------------|----------------------|-----------------------|--------------|
| Trade accounts payable | -- | 14,448 | 315 | 14,763 |
| Provision for corporate tax | -- | -- | 286,702 | 286,702 |
| Payable to employees | -- | -- | 198,704 | 198,704 |
| | --- | --- | ----- | ----- |
| | -- | 14,448 | 485,721 | 500,169 |
| | == | ===== | ===== | ===== |

| 31 March 2024 | On demand AED | 0-3 months AED | 3-12 months AED | Total AED |
|----------------------|------------------|----------------------|-----------------------|--------------|
| Due to shareholder | 799,253 | -- | -- | 799,253 |
| Payable to employees | -- | -- | 182,266 | 182,266 |
| VAT payable | -- | 175,243 | -- | 175,243 |
| | --- | ----- | --- | ----- |
| | 799,253 | 175,243 | 182,266 | 1,156,762 |
| | ===== | ===== | ===== | ===== |

18.2 Capital management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for the shareholder by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the shareholder funds and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the shareholder funds, the Company may adjust the amount of dividends paid to shareholder, return funds to shareholder, issue new shares, or sell assets to reduce its exposure to debt.

19 Contingent liabilities and commitments

There were no significant contingent liabilities and capital commitments at the reporting date.

20 Corporate tax

Corporate tax applicability for the Company starts from 1 April 2024 to 31 March 2025.

Income tax expense in the statement of comprehensive income is as follows:

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)
AT 31 MARCH 2025**

20 Corporate tax (Continued)

| | 2025 AED | 2024 AED |
|--|-------------|-------------|
| Profit before taxation | 3,543,450 | -- |
| Add 50% of entertainment expenses | 17,123 | -- |
| | ----- | ---- |
| Taxable profit | 3,560,573 | -- |
| Current tax at 9% for taxable profit exceeding AED 375,000 | 286,702 | -- |
| | ----- | ---- |
| Total current tax | 286,702 | -- |
| | ===== | == |

Current tax liabilities in the statement of financial position is as follows:

| | 2025 AED | 2024 AED |
|--------------------------------------|-------------|-------------|
| Balance at the beginning of the year | -- | -- |
| Add current tax payable for the year | 286,702 | -- |
| Less tax paid during the year | -- | -- |
| | --- | --- |
| Balance at the end of the year | 286,702 | -- |
| | ===== | === |

21 Comparative figures

The previous year's figures have been regrouped or reclassified wherever necessary to make them comparable to those of the current year.