

Operational Energy Generation FZCO  
Dubai Airport Free Zone, Dubai (U.A.E.)

Financial Statements for the year ended March 31, 2023  
Index of Contents

Contents  
Page nos

**Operational Energy Generation FZCO  
Dubai Airport Free Zone**

**Dubai (U.A.E.)**

**Financial Statements &  
Independent Auditor's Report  
for the year ended March 31, 2023**

**Operational Energy Generation FZCO**  
Dubai Airport Free Zone, Dubai (U.A.E.)

**Financial Statements for the year ended March 31, 2023**  
**Index of Contents**

<b>Contents</b>	<b>Page nos.</b>
Manager's Report	1 - 2
Independent Auditor's Report	3 - 5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity & Shareholder's Funds	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 21
Schedules to the Financial Statements	22 - 23



**Manager's Report**

The manager of the Company presents this report along with the financial statements of Operational Energy Generation FZCO, Dubai, Airport Free Zone, Dubai (U.A.E.) for the year ended March 31, 2023.

**Legal status and shareholder:**

Operational Energy Generation FZCO is incorporated and registered as a Free Zone Company with Limited Liability with Dubai Airport Free Zone Authority in the emirate of Dubai (U.A.E.) under trade license no. 3150 and having registration no. DAFZ/1472.

M/s Pacific Technical Services India Private Limited, a private limited company registered under certificate of incorporation no. U74900TN1993PTC024165 with Registrar of Companies under The Companies Act 2013 in Chennai, India, is the sole shareholder of the Company as at the reporting date holding share capital of AED 10,000/- (10 shares of AED 1,000/- each), equivalent to USD 2,723/-. The registered address of M/s Pacific Technical Services India Private Limited is, 5th Floor, Gokul Arcade – East Wing, No. 2, Sardar Patel Road, Adyar, Chennai – 600 020.

**Operations of the Company:**

The Company is licensed to carry on the activities of trading in power generation, transmission & distribution equipment, industrial plant equipment & spare parts, repair & maintenance of non-automotive engines (e.g. ship or rail engines), pumps & related equipment. However, the Company was principally engaged in providing consultancy services (previous year providing operational & maintenance services to power generating units) during the year under review.

The financial highlights of the Company are as below:

	<u>2022-23</u>	<u>2021-22</u>
	<u>USD</u>	<u>USD</u>
Revenue	109,474	3,795,032
Gross (loss)/profit	(550,251)	920,138
Other income	463,952	17,766
Net (loss)/profit	(474,482)	86,309
Total liabilities	1,374,978	1,722,703
Equity & shareholder's funds	1,950,437	2,424,919

**Results & dividend:**

Net loss for the year amounted to USD 474,482/- (previous year earned net profit of USD 86,309/-).

Opening balance of retained earnings after setting off current year net loss is proposed to be carried forward.

**Management's responsibilities & acknowledgements:**

We confirm that management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs), Implementing Regulations 2021 pursuant to Law no. (25) of 2009 (as amended) of Dubai Airport Free Zone Authority and applicable provisions of the Memorandum & Articles of Association of the Company.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Company's management further states that there are no material uncertainties which would make the going concern assumption inappropriate.



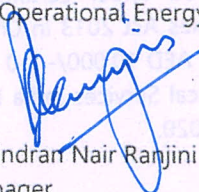
**Events occurring after the reporting date:**

There were no significant events occurring after the reporting date that would materially affect the working or the financial statements of the Company.

**Auditors:**

The Company's auditors, M/s Kothari Auditors & Accountants, Dubai (U.A.E.) are retiring at the end of the annual general meeting of the shareholder and being eligible have expressed their willingness to be re-appointed. A resolution to re-appoint them for the year 2023-24 and to fix their remuneration would be put up before the shareholder at the annual general meeting.

For Operational Energy Generation FZCO

  
Ravindran Nair Ranjini  
Manager



July 05, 2023  
Dubai, United Arab Emirates

	2022-23	2021-22
Revenue	109,474	3,792,032
Gross (loss)/profit	(550,457)	950,138
Other income	483,025	17,768
Net (loss)/profit	(47,432)	86,309
Total liabilities	1,374,978	1,755,703
Equity & shareholder's funds	1,920,417	2,454,919

**Results & dividend:**

Net loss for the year amounted to USD 47,432/- (previous year earned net profit of USD 86,309/-).

Opening balance of retained earnings after setting off current year net loss is proposed to be carried forward.

**Management's responsibilities & acknowledgements:**

We confirm that management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) implementing Regulations 2021 pursuant to Law no. (52) of 2009 (as amended) of Dubai Airport Free Zone Authority and applicable provisions of the Memorandum & Articles of Association of the Company.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Company's management further states that there are no material uncertainties which would make the going concern assumption inappropriate.



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Statement of Financial Position as at March 31, 2023

Particulars	Note no.	2023 USD	2022 USD
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant & equipment	Sch 1	1,718	6,211
		1,718	6,211
<b>Current assets</b>			
Deposits, prepayments & advances	5	139,855	315,657
Accounts receivable	6	-	983,601
Amount due from related parties	7	93,104	117,973
Cash & bank balances	8	3,090,738	2,724,180
		3,323,697	4,141,411
<b>Total assets employed</b>		<b>3,325,415</b>	<b>4,147,622</b>
<b>Equity, shareholder's funds &amp; liabilities:</b>			
<b>Equity &amp; shareholder's funds</b>			
Share capital	9	2,723	2,723
Reserves & surplus	10	1,927,567	2,402,049
Equity		1,930,290	2,404,772
Share application money	Sch 2	20,147	20,147
<b>Equity &amp; shareholder's funds</b>		<b>1,950,437</b>	<b>2,424,919</b>
<b>Current liabilities</b>			
Accounts payable		1,000,000	1,500,000
Provisions, accruals & other liabilities	11	374,978	222,703
<b>Total liabilities</b>		<b>1,374,978</b>	<b>1,722,703</b>
<b>Total equity, shareholder's funds &amp; liabilities</b>		<b>3,325,415</b>	<b>4,147,622</b>

The attached note nos. 1 - 19 and schedule nos. 1 & 2 form an integral part of these financial statements.

Auditor's report is on page nos. 3 - 5. The manager has approved & authorized the issuance of these financial statements on July 05, 2023.

For Operational Energy Generation FZCO

Ravindran Nair Ranjini  
Manager





**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

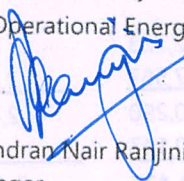
Statement of Comprehensive Income for the year ended March 31, 2023

Particulars	Note no.	2022-23 USD	2021-22 USD
Revenue	12	109,474	3,795,032
Direct costs	13	(659,725)	(2,874,894)
Gross (loss)/profit		(550,251)	920,138
Other income	14	463,952	17,766
Marketing costs	15	-	(572,000)
Administrative costs	16	(170,051)	(260,101)
Other expenses	17	(218,132)	(19,494)
<b>Net (loss)/profit for the year</b>		<b>(474,482)</b>	<b>86,309</b>

The attached note nos. 1 - 19 and schedule nos. 1 & 2 form an integral part of these financial statements.

Auditor's report is on page nos. 3 - 5. The manager has approved & authorized the issuance of these financial statements on July 05, 2023.

For Operational Energy Generation FZCO

  
Ravindran Nair Ranjini  
Manager





**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Statement of Changes in Equity & Shareholder's Funds for the year ended March 31, 2023

Particulars	Share capital	Retained earnings	Share application money	Total
Balance at March 31, 2021	2,723	2,315,740	20,147	2,338,610
Net profit for the year	-	86,309	-	86,309
Net movements	-	-	-	-
<b>Balance at March 31, 2022</b>	<b>2,723</b>	<b>2,402,049</b>	<b>20,147</b>	<b>2,424,919</b>
Net (loss) for the year	-	(474,482)	-	(474,482)
Net movements	-	-	-	-
<b>Balance at March 31, 2023</b>	<b>2,723</b>	<b>1,927,567</b>	<b>20,147</b>	<b>1,950,437</b>

The attached note nos. 1 - 19 and schedule nos. 1 & 2 form an integral part of these financial statements.  
Auditor's report is on page nos. 3 - 5.



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Statement of Cash Flows for the year ended March 31, 2023

Particulars	Note no.	2022-23 USD	2021-22 USD
Cash flows from operating activities			
Net (loss)/profit for the year		(474,482)	86,309
Adjustments for:			
Depreciation on property, plant & equipment		5,227	6,260
Impairment of accounts receivable		(110,480)	572,000
Sundry balances & earlier year provision written back		(463,952)	(17,766)
Operating cash flows before changes in working capital		(1,043,687)	646,803
Working capital changes:			
Movement in accounts receivable		1,094,081	(1,074,204)
Movement in deposits, prepayments & advances		175,802	(14,374)
Movement in provisions, accruals & other current liabilities		616,227	(637,628)
Movement in accounts payable		(500,000)	900,000
<b>Net cash generated from/(used in) operating activities</b>		<b>342,423</b>	<b>(179,403)</b>
Cash flows from investing activities:			
(Additions) to property, plant & equipment		(734)	-
Movement in amount due from related parties		24,869	39,240
<b>Net cash generated from investing activities</b>		<b>24,135</b>	<b>39,240</b>
Cash flows from financing activities:			
Movement in deferred revenue		-	(256,618)
<b>Net cash (used in) financing activities</b>		<b>-</b>	<b>(256,618)</b>
Net movement in cash & cash equivalents		366,558	(396,781)
Cash & cash equivalents at beginning of the year		2,724,180	3,120,961
<b>Cash &amp; cash equivalents at end of the year</b>	<b>8</b>	<b>3,090,738</b>	<b>2,724,180</b>

The attached note nos. 1 - 19 and schedule nos. 1 & 2 form an integral part of these financial statements.  
Auditor's report is on page nos. 3 - 5.



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Notes to the Financial Statements for the year ended March 31, 2023

**1. Legal, status and activity:**

Operational Energy Generation FZCO is incorporated and registered as a Free Zone establishment with Limited Liability with Dubai Airport Free Zone Authority in the emirate of Dubai (U.A.E.) under trade license no. 3150 and having registration no. DAFZA\1472.

M/s Pacific Technical Services India Private Limited, a private limited company registered under certificate of incorporation no. U74900TN1993PTC024165 with Registrar of Companies under The Companies Act 2013 in Chennai, India, is the sole shareholder of the Company as at the reporting date holding share capital of AED 10,000/- (10 shares of AED 1,000/- each), equivalent to USD 2,723/-. The registered address of M/s Pacific Technical Services India Private Limited is, 5th Floor, Gokul Arcade – East Wing, no. 2 & 2A, Sardar Patel Road, Adyar, Chennai – 600 020.

The principal place of business is located at 6EB G 25, Dubai Airport Free Zone Authority, Dubai (U.A.E.).

The Company is licensed to carry on the activities of trading in power generation, transmission & distribution equipment, industrial plant equipment & spare parts, repair & maintenance of non-automotive engines (e.g., ship or rail engines), pumps & related equipment. However, the Company was principally engaged in providing consultancy services (previous year providing operational & maintenance services to power generating units) during the year under review.

The day to day operations of the Company is handled by Ms. Ravindran Nair Ranjini, Indian national, who is appointed as the manager of the Company.

**2. Basis of preparation:**

**2.1. Statement of compliance:**

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs), issued by the International Accounting Standards Board (IASB).

**2.2. Basis of measurement:**

These financial statements have been prepared under the going concern assumption and historical cost convention.

**2.3. Basis of accounting and coverage:**

The Company follows the accrual basis of accounting except for statement of cash flows which is presented on cash basis. Under the accrual basis, the transactions and events are recognized as and when they occur and are recorded in the financial statements for the period to which they relate to.

The financial statements enclosed cover the period from April 01, 2022 to March 31, 2023. Previous year figures are for the period from April 01, 2021 to March 31, 2022 and have been regrouped where necessary.

**2.4. Functional & presentation currency:**

The financial statements are presented in United States Dollar (USD), which is also the Company's functional currency. All financial information presented in USD has been rounded off to the nearest U.S. Dollar.

**2.5. Use of estimates & judgments:**

The preparation of financial statements in conformity with IFRS for SMEs requires management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Notes to the Financial Statements for the year ended March 31, 2023 (continued)

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future period affected & same are mentioned under respective accounting policy note.

The following accounting estimates and management judgments which are material in nature, have been considered, in the preparation of financial statements.

**- Useful lives of property, plant & equipment:**

Company's management estimates the useful life of property, plant & equipment & residual value for calculating depreciation. It reviews the estimated life & residual value on annual basis & future depreciation expense would be adjusted where the management believes that useful life differs from the previous estimates.

**- Impairment of accounts receivable:**

Accounts receivable are subjected to recoverability test on a periodical basis when collection of full amount is no longer probable. Accounts receivable balances which are individually significant, are verified for ageing, subsequent receipts & balance confirmations. Accounts receivable balances which are individually not material, are assessed collectively & estimated reserve for impairment of accounts receivable is created if same is outstanding for beyond normal credit terms & doubtful.

**- Impairment of accrued revenue:**

Revenue accrued but not invoiced from last billing till the reporting date is recognised as accrued revenue & included in the total revenue. The Company on a periodical basis verifies the executability of the accrued revenue and impairs the projects which has been cancelled/called back by the customer.

**3. Summary of significant accounting policies:**

The following accounting policies have been consistently applied by the management in preparation of the financial statements except where stated here under:

**3.1. Current and non-current classification:**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

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



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Notes to the Financial Statements for the year ended March 31, 2023 (continued)

**3.2. Property, plant & equipment:**

Property, plant & equipment are carried at their cost of acquisition including any incidental expenses related to acquisition or installation, less accumulated depreciation and accumulated impairment loss. Depreciation has been provided on straight line method over the estimated useful lives, as determined by the management.

Property, plant & equipment are, at the reporting date, subject to impairment. Where any indication of impairment exists, the carrying amount is written down to its recoverable amount.

Based on the management's estimate of useful life of various assets, depreciation has been charged at the following rates:

Machinery & tools	4 years
Office equipment	3 years
Vehicles	4 years

The residual values, useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefit from these assets, and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Maintenance and repairs are charged to expenses as incurred and renewals and improvements, which extend the life of the asset, are capitalized and depreciated over the remaining life of the asset.

The gain or loss arising on the disposal or retirement of an item of property, plant & equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of comprehensive income.

A decline in the value of property, plant & equipment could have a significant effect on the amounts recognised in these financial statements. Management assesses the impairment of property, plant & 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.

**3.3. Financial instruments:**

The Company recognizes a financial instrument (being a financial asset or financial liability) only when the Company becomes a part of the contractual provisions of the instrument.

Accounting policy relevant to each type of financial instrument is as follows:

**Cash & cash equivalents:**

Cash & cash equivalents for the purpose of statement of cash flows comprises of balance with banks in current accounts.

**Accounts receivable:**

Accounts receivable are amounts due from customers towards sale of goods or providing of services in the ordinary course of business. Accounts receivable are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less reserve for impairment of accounts receivable. A reserve for impairment of accounts receivable is recognised when it is probable that the Company will not be able to collect all amounts due according to original terms of the accounts receivable.



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Notes to the Financial Statements for the year ended March 31, 2023 (continued)

**Accounts payable:**

Accounts payable represent obligations towards purchase of goods in the ordinary course of business. Same is free of interest & payable at the end of credit period granted by the suppliers. Accounts payable are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method.

**Other financial assets:**

Other financial assets are recognised initially at transaction value and subsequently measured at amortised cost using the effective interest method less impairment. However, all other financial assets have a value on realization in the ordinary course of the Company's business, which is at least equal to the amount at which they are stated in the statement of financial position.

**Other financial liabilities:**

Other financial liabilities, including borrowings, if any, are initially measured at transaction value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

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

- the rights to receive cash flows from the asset have expired or
- 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
- 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 recognised to the extent of the Company's continuing involvement in the asset.

A financial liability is derecognised 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 recognised in the statement of comprehensive income.

Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and the Company intends to settle on a net basis.

**3.4. Impairment of non-financial assets:**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Notes to the Financial Statements for the year ended March 31, 2023 (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

**3.5. Impairment of financial assets:**

An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. A financial asset or a group of financial assets is deemed to be impaired if and only if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of asset (an incurred "loss event") and that loss event (events) has an impact on the estimated future cashflows of the financial assets or the group of financial assets that can be reliably estimated.

If such evidence exists, any impairment loss is recognised in the statement of comprehensive income. Impairment is determined as follows.

- For assets carried at fair value, impairment is the difference between the cost and fair value less any impairment loss previously recognised in the statement of comprehensive income.
- For assets carried at cost, impairment is the difference between the carrying amount and the present value of future cashflows discounted at the current market rate of return for a similar asset.
- For assets carried at amortized cost, impairment is the difference between carrying amount and the present value of estimated future cashflows discounted at the financial asset's original effective interest.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the financial asset no longer exist or have decreased and the decrease can be related objectively to an event occurring after the impairment was recognised.

**3.6. Leases:**

Leases are classified as finance leases when substantially all risks and rewards of ownership are transferred to the lessee. All other leases are operating leases.

**Operating lease:**

Lease payments under an operating lease are recognized as an expense in the statement of comprehensive income on a straight line basis over the lease term. Generally, the Company's operating leases are for annual duration and hence the Company is not exposed to any operating lease obligations.

**3.7. Provisions & contingencies:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of economic benefits would be required to settle these obligations, and a reliable estimate of the same can be made.

Contingent liabilities are not recognized but are disclosed in the notes to financial statements. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When likelihood of outflow is remote, no provision or disclosure is made.



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Notes to the Financial Statements for the year ended March 31, 2023 (continued)

**3.8. Value added tax:**

As per the Federal Decree-Law No. (08) of 2017, effective from January 1, 2018, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the Company. The Company is required to file its VAT returns and compute the payable / receivable tax (which is output tax less input tax / input tax) for the allotted tax period(s) and deposit / claim refund the same within the prescribed due dates of filing VAT return. Net position of Value Added Tax as on reporting date is disclosed under other current assets or current liabilities as applicable.

**3.9. Revenue recognition:**

Revenue is recognized when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at fair value of consideration received or receivable, excluding discounts, rebates & duties.

**Service income:**

Revenue comprises of income received from rendering mobilization, operational & maintenance services. Revenue is recognized when service is imparted and right to received is established.

**Consultancy service income:**

Revenue comprises of income received from providing the consultancy services. Revenue is recognized when service is imparted and right to received is established.

**Other income:**

Other income is recognized as & when due or received whichever is earlier.

**3.10. Expenditure:**

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. Expenses are presented in the statement of comprehensive income, classified according to the function of expense.

**3.11. Foreign currencies transactions:**

Transactions in foreign currency, if any, are converted into functional currency at prevailing exchange rate on the date such transactions are entered into.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies which are stated at historical cost or fair value, are translated into functional currency at the exchange rates prevailing on the date of such transaction or the date of determination of fair value respectively.

Resultant loss or gain has been recognized in the statement of comprehensive income, in the year in which such assets are realized or liabilities are discharged.

**4. Other significant disclosures:**

**4.1. Related party transactions:**

The Company enters into transactions with another company and person that fall within the definition of a related party as per the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

The terms of trade with such related parties are based on commercial terms & conditions agreed upon with them by the management.



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Notes to the Financial Statements for the year ended March 31, 2023 (continued)

Related parties with whom the Company had entered into transactions during the year under review comprise of the shareholder, group companies, associate company and key management personnel as stated here under:

<u>Name of the related parties</u>	<u>Control</u>	<u>Relation</u>
M/s Pacific Technical Services India Private Limited India	100% control	Parent company
M/s Operational Energy Group India Ltd., India	Common control	Group company
M/s OEG Bangladesh Pvt Ltd, Bangladesh	Common control	Group company
Ms. Ravindran Nair Ranjini	Manager	Key management personnel

During the year under review, following transactions were entered into with related parties:

<u>Nature of transactions</u>	<u>2022-23</u> <u>USD</u>	<u>2021-22</u> <u>USD</u>
<b>Compensation to key management personnel:</b>		
- Manager's remuneration & benefits	6,569	6,569

**Amount due from related parties:**

Amount due from related parties are free of interest.

**4.2. Financial, capital risk management & fair value information:**

**a. Credit, liquidity market rate & other risks:**

**Credit risk:**

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations.

The Company's cash is placed with banks of repute.

The exposure to credit risk on accounts receivable and amounts due from related parties is monitored on an ongoing basis by the management and these are considered recoverable by the Company's management. However, 100% of total accounts receivable were outstanding from 1 customer only during previous year and hence the Company has concentration of accounts receivable and consequent risk to that extent.

**Liquidity risk:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when it falls due. The Company's assets are sufficient to cover its financial obligations.

The table below summarises the maturity profile of the Company's financial liabilities on contractual undiscounted payments.

	Less than 6 months	6 months to 1 year	More than 1 year	Total USD
Financial liabilities as on March 31, 2023				
Accounts payable	1,000,000	-	-	1,000,000
Provisions, accruals & other liabilities	374,978	-	-	374,978
Total	1,374,978	-	-	1,374,978



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Notes to the Financial Statements for the year ended March 31, 2023 (continued)

Financial liabilities as on March 31, 2022	Less than 6 months	6 months to 1 year	More than 1 year	Total USD
Accounts payable	1,500,000	-	-	1,500,000
Provisions, accruals & other liabilities	222,703	-	-	222,703
<b>Total</b>	<b>1,722,703</b>	<b>-</b>	<b>-</b>	<b>1,722,703</b>

**Market risk:**

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

**Interest rate risk:**

Interest rate risk is the risk of variability in profit due to change in interest rates on interest bearing assets and interest bearing liabilities. The Company does not have any interest bearing assets or liabilities as on reporting date.

**Currency risk:**

Currency risk faced by the Company is minimal as there are minimal foreign currency transactions. Most of the monetary assets and liabilities are denominated in United States Dollar (USD) or in United Arab Emirates Dirhams (AED), which is pegged to USD.

**Other risks:**

**- Revenue risk:**

100% of revenue was generated from 1 customer (previous year 100% from 1 customer) and hence the Company has concentration of revenue & consequent risk to that extent.

**b. Capital management:**

The Company's policy is to maintain a strong capital base so as to maintain lender and creditor confidence and to sustain future development of the business. The Company is not subject to externally imposed capital restrictions.

**c. Fair value information:**

Fair value represents the amount at which an asset could be exchanged or a liability settled in an arm's length transaction, between willing & knowledgeable parties. In respect of all the Company's financial assets viz cash & bank balances, receivables, advances, deposits, accrued income and liabilities viz dues to banks, payables, accruals and other non-current liabilities, in the opinion of the management, the book value approximates to their carrying value.



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Notes to the Financial Statements for the year ended March 31, 2023 (continued)

**5. Deposits, prepayments & advances:**

	2023	2022
	USD	USD
Deposits	69,915	69,915
Prepayments	3,833	3,833
Accrued revenue	-	216,852
Loans & advances to staff	64,536	-
Other current assets	1,571	25,057
	<u>139,855</u>	<u>315,657</u>

Movement in reserve for impairment of accrued revenue is as follows:

Balance at the beginning of the year	-	-
Provided during the year	216,852	-
(Utilised) during the year	<u>(216,852)</u>	<u>-</u>
Balance at the end of the year	<u>-</u>	<u>-</u>

- a. Accrued revenue represented revenue accrued but not due/invoiced from last billing date till the reporting date & has been fully impaired.
- b. Other current assets includes VAT refund of USD 1,571/- (previous year USD 1,373/-) which is based on computation of VAT pursuant to VAT returns as prepared by the management and subject to assessment & confirmation by the Federal Tax Authority.

**6. Accounts receivable:**

	2023	2022
	USD	USD
Trade receivables	-	1,708,985
Reserve for impairment of accounts receivable	<u>-</u>	<u>(725,384)</u>
	<u>-</u>	<u>983,601</u>

Age-wise analysis of accounts receivable is as follows:

Outstanding for less than 3 months	<u>-</u>	<u>1,708,985</u>
	<u>-</u>	<u>1,708,985</u>

Geographical analysis of accounts receivable is as follows:

Due from Lebanon	<u>-</u>	<u>1,708,985</u>
	<u>-</u>	<u>1,708,985</u>



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Notes to the Financial Statements for the year ended March 31, 2023 (continued)

Movement in reserve for impairment of accounts receivable is as follows:

	2023	2022
	USD	USD
Balance at the beginning of the year	725,384	647,467
Provided for the year	-	572,000
(Utilised) during the year	(614,904)	(494,083)
(Reversed) during the year	(110,480)	-
Balance at the end of the year	<u>-</u>	<u>725,384</u>

The Company's exposure to credit risk relating to accounts receivable is disclosed in note no. 4.2.(a.).

**7. Amount due from related parties:**

	2023	2022
	USD	USD
Due from group companies	<u>93,104</u>	<u>117,973</u>
	<u>93,104</u>	<u>117,973</u>

Amount due from related parties are free of interest.

**8. Cash & bank balances/Cash & cash equivalents:**

	2023	2022
	USD	USD
Balance with banks in current account	<u>3,090,738</u>	<u>2,724,180</u>
	<u>3,090,738</u>	<u>2,724,180</u>

**9. Share capital:**

	2023	2022
	USD	USD
Share capital	<u>2,723</u>	<u>2,723</u>
	<u>2,723</u>	<u>2,723</u>

Share capital comprises of 10 fully paid up equity shares of AED 1,000/- each, totalling to AED 10,000/-, equivalent to USD 2,723/- (previous year 10 fully paid up equity shares of AED 1,000/- each totalling to AED 10,000/-, equivalent to USD 2,723/-).

**10. Reserves & surplus:**

	2023	2022
	USD	USD
Retained earnings	<u>1,927,567</u>	<u>2,402,049</u>
	<u>1,927,567</u>	<u>2,402,049</u>



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Notes to the Financial Statements for the year ended March 31, 2023 (continued)

**11. Provisions, accruals & other liabilities:**

	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>
Accrued expenses	147,425	94,675
Accrued staff salaries & benefits	37,811	14,311
Advance from customers	189,742	113,717
	<u>374,978</u>	<u>222,703</u>

**12. Revenue:**

	<u>2022-23</u>	<u>2021-22</u>
	<u>USD</u>	<u>USD</u>
Operating & maintenance service fee	-	3,795,032
Consultancy service fee	109,474	-
	<u>109,474</u>	<u>3,795,032</u>

**13. Direct costs:**

	<u>2022-23</u>	<u>2021-22</u>
	<u>USD</u>	<u>USD</u>
Salary, wages & other related benefits	553,819	1,351,637
Travelling & conveyance expenses	4,558	29,068
Consultancy charges	85,000	1,200,000
Other direct expenses	11,121	287,929
Depreciation on property, plant & equipment	5,227	6,260
	<u>659,725</u>	<u>2,874,894</u>

**14. Other income:**

	<u>2022-23</u>	<u>2021-22</u>
	<u>USD</u>	<u>USD</u>
Sundry balances & earlier years provision written back	463,952	17,766
	<u>463,952</u>	<u>17,766</u>

**15. Marketing costs:**

	<u>2022-23</u>	<u>2021-22</u>
	<u>USD</u>	<u>USD</u>
Impairment of accounts receivable	-	572,000
	<u>-</u>	<u>572,000</u>



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Notes to the Financial Statements for the year ended March 31, 2023 (continued)

**16. Administrative costs:**

	<u>2022-23</u>	<u>2021-22</u>
	<u>USD</u>	<u>USD</u>
Office rent	23,000	23,000
Communication expenses	450	5,452
Utilities charges	40,782	70,962
Manager's remuneration & benefits	6,569	6,569
Insurance expenses	2,711	8,806
Bank charges	691	3,772
Office & other expenses	95,848	141,540
	<u>170,051</u>	<u>260,101</u>

**17. Other expenses:**

	<u>2022-23</u>	<u>2021-22</u>
	<u>USD</u>	<u>USD</u>
Impairment of accrued revenue	216,852	-
Foreign exchange loss - net	1,280	19,494
	<u>218,132</u>	<u>19,494</u>

**18. Contingent liabilities:**

Except for the ongoing business commitments against which no loss is expected, there has been no known contingent liability or commitments, as on reporting date.

**19. Events occurring after the reporting date:**

There were no significant events occurring after the reporting date that would materially affect the working or the financial statements of the Company.



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Schedules to the Financial Statements for the year ended March 31, 2023

**Schedule 1 - Property, plant & equipment:**

Particulars	Machinery & tools	Office equipment	Vehicles	Total
<b>Cost:</b>				
As at March 31, 2022	19,720	12,002	31,550	63,272
Additions	-	734	-	734
As at March 31, 2023	19,720	12,736	31,550	64,006
<b>Accumulated depreciation:</b>				
As at March 31, 2022	(13,560)	(11,951)	(31,550)	(57,061)
For the year	(4,930)	(297)	-	(5,227)
As at March 31, 2023	(18,490)	(12,248)	(31,550)	(62,288)
<b>Net value- March 31, 2023</b>	<b>1,230</b>	<b>488</b>	<b>-</b>	<b>1,718</b>
<b>Net value- March 31, 2022</b>	<b>6,160</b>	<b>51</b>	<b>-</b>	<b>6,211</b>

Entire property, plant & equipment are lying at the project site, office & guest house in Lebanon.



**Operational Energy Generation FZCO**  
**Dubai Airport Free Zone, Dubai (U.A.E.)**

Schedules to the Financial Statements for the year ended March 31, 2023

**Schedule 2 - Share application money:**

Particulars	Pacific Technical Services India Private Limited	Total
As at March 31, 2021	20,147	20,147
Net movements	-	-
<b>As at March 31, 2022</b>	<b>20,147</b>	<b>20,147</b>
Net movements	-	-
<b>As at March 31, 2023</b>	<b>20,147</b>	<b>20,147</b>

Share application money represents subscription amount received from the shareholder towards subscribing to additional shares. Said amount is free of interest and would be converted to share capital on allotment of shares by M/s Operational Energy Generation FZCO.





July 05, 2023

To  
Kothari Auditors & Accountants  
Post Box 51504  
Dubai (U.A.E.)

Dear Sir,

**SUB.: Management Representation Letter**

**REF: Audit for the year ended March 31, 2023**

This representation letter is provided in connection with the audit of the financial statements of Operational Energy Generation FZCO, Dubai Airport Free Zone, Dubai (U.A.E.), for the year ended March 31, 2023 for the purpose of expressing an qualified opinion as to whether the financial statements give a true and fair view of the financial position Operational Energy Generation FZCO, Dubai (U.A.E.), as at March 31, 2023 and of the results of its operations, statement of changes in equity & shareholder's funds and statement of cash flows for the year ended March 31, 2023.

We confirm, to the best of our knowledge and belief, the following representations:

- a. Operational Energy Generation FZCO is incorporated and registered as a Free Zone Company with Limited Liability with Dubai Airport Free Zone Authority in the emirate of Dubai (U.A.E.) under trade license no. 3150 and having registration no. DAFZ/1472.
- b. M/s Pacific Technical Services India Private Limited, a private limited company registered under certificate of incorporation no. 18-24165 with Registrar of Companies under The Companies Act 1956 in Chennai, India, is the sole shareholder of the Company as at the reporting date holding share capital of AED 10,000/- (10 shares of AED 1000/- each), equivalent to USD 2,723/-. The registered address of M/s Pacific Technical Services India Private Limited is, 5th Floor, Gokul Arcade – East Wing, – No. 2, Sardar Patel Road, Adyar, Chennai – 600 020.
- c. The principal place of business is located at 6EB G 25, Dubai Airport Free Zone Authority, Dubai (U.A.E.).
- d. The Company is licensed to carry on the activities of trading in power generation, transmission & distribution equipment, industrial plant equipment & spare parts, repair & maintenance of non-automotive engines (e.g., ship or rail engines), pumps & related equipment. However, the Company was principally engaged in providing consultancy services (previous year providing operational & maintenance services to power generating units) during the year under review.
- e. The day-to-day operations of the Company is handled by Ms. Ravindran Nair Ranjini, Indian national, who is appointed as the manager of the Company.
- f. There has been no change in the share capital/shareholding pattern or any other legal structure of the Company during the year under review.

**1 Responsibilities:**

- 1.1 We acknowledge our responsibility for preparation of financial statements in accordance with the requirements of the UAE Commercial Companies Law or any other applicable laws for the time being in force and as recognized accounting policies and practices including the Accounting Standards issued by the International Accounting bodies. The management is solely responsible for adherence to rules, regulations, notices, etc.
- 1.2 We also accept that it is our responsibility to maintain adequate internal control selection and application of accounting policies and safeguarding the assets of the Company.



- 1.3 We clearly understand that your scope is only to audit the financial statements, on a test check basis, based on the trial balance and other details submitted to you in accordance with International Standards.
- 1.4 We also understand that such an audit might not unearth any fraud or shortcomings. We understand that there may be misstatements or fraud that may not come to light.
- 1.5 We state that we have disclosed the accounting policies followed by the Company as notes to accounts.
- 1.6 We acknowledge that it is our responsibility to adhere to all laws, rules, regulations, notification etc., applicable to the Company (including but not limited to VAT, ESR, CbCR, AML CFT, UBO, etc. currently applicable & those to be applicable in future) and comply with all the provisions laid out in those laws, rules, regulations, notifications etc. We also acknowledge that audit is not intended to verify the adherence or compliance to the applicable laws, rules, regulations & notifications etc., and we are not to expect from you any confirmation or assurance of adherence or compliance.

## **2 Accounting policies:**

- 2.1 The accounting policies, which are material or critical in determining the results of operations for the year or financial position are set out in the financial statements.
- 2.2 The financial statements are prepared on accrual basis except as stated in the financial statement notes.

## **3 Evidence and information:**

- 3.1 We have made available to you the trial balance, day books, related documents and information pertaining to the reporting year and we state that no other books, documents of information is withheld from you.
- 3.2 We know of no other matters that may have an effect upon the Company or that should be disclosed in the accounts for the year.

## **4 Financial statements:**

- 4.1 All transactions undertaken by the Company have been properly recorded in the accounting records after proper authorization.
- 4.2 The financial statements are free of material misstatements and omissions.
- 4.3 The financial statements have been prepared from the accounting records and are in agreement herewith.
- 4.4 There have been no:
  - a Irregularities involving management or employees who have significant role in the accounting and internal control structure.
  - b Irregularities involving other employees that could have a material effect on the financial statements.
  - c Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.
- 4.5 The following have been properly recorded and when appropriate, adequately disclosed in the Financial Statements:
  - a Arrangements with financial institutions involving compensating balances and line of credit. (e.g., change in terms and schedule of repayments)
  - b Losses arising from sale and purchase commitments.
  - c Assets pledged as collateral.
- 4.6 The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of noncompliance.



- 4.7 We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

**5 Going concern assumption:**

- 5.1 The Company's only revenue generating contract in Lebanon had been completed on January 10, 2022 and subsequently said contract has not been renewed by the customer till the issuance of this report which raises doubt about the Company's going concern. However, the shareholder has represented that negotiation is going on for renewal of Lebanon contract and meanwhile, Company would continue looking for opportunities in Nigeria and wishes to keep the office functioning and has confirmed that necessary financial assistance will be provided to the Company as & when required. Hence these financial statements have been prepared on a going concern basis.

**6 Property, plant & equipment:**

- 6.1 Property, plant & equipment are carried at their cost of acquisition including any incidental expenses related to acquisition or installation, less accumulated depreciation and accumulated impairment loss. Depreciation has been provided on straight line method over the estimated useful lives, as determined by the management.

- 6.2 Property, plant & equipment are, at the reporting date, subject to impairment. Where any indication of impairment exists, the carrying amount is written down to its recoverable amount.

The management's estimate of useful life of various assets is as follows:

Machinery & tools	4 years
Office equipment	3 years
Vehicles	4 years

- 6.3 The residual values, useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefit from these assets, and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

- 6.4 Maintenance and repairs are charged to expenses as incurred and renewals and improvements, which extend the life of the asset, are capitalized and depreciated over the remaining life of the asset.

- 6.5 Gains and losses, if any on disposals are determined by comparing proceeds with the asset's carrying amount. These are recognised under 'other income or expense' in the statement of comprehensive income.

- 6.6 A decline in the value of property, plant & equipment could have a significant effect on the amounts recognised in these financial statements. Management assesses the impairment of property, plant & equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

- 6.7 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.

**7 Capital commitments:**

- 7.1 There were no commitments on capital account as at the statement of financial position date.



**8 Use of estimates & judgments:**

8.1 The preparation of financial statements in conformity with IFRS for SMEs requires management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

8.2 Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future period affected & same are mentioned under respective accounting policy note.

8.3 The following accounting estimates and management judgments which are material in nature have been considered, in the preparation of financial statements.

- **Useful lives of property, plant & equipment:**

Company's management estimates the useful life of property, plant & equipment & residual value for calculating depreciation. It reviews the estimated life & residual value on annual basis & future depreciation expense would be adjusted where the management believes that useful life differs from the previous estimates.

- **Impairment of accounts receivable:**

Accounts receivable are subjected to recoverability test on a periodical basis when collection of full amounts is no longer probable. Accounts receivable balances which are individually significant, are verified for ageing, subsequent receipts & balance confirmations. Accounts receivable balances which are individually not material, are assessed collectively & estimated reserve for impairment of accounts receivable is created if same is outstanding for beyond normal credit terms & doubtful.

- **Impairment of accrued revenue:**

Revenue accrued but not invoiced from last billing till the reporting date is recognized as accrued revenue & included in the total revenue. The Company on periodical basis verifies the executability of the accrued revenue and impairs the projects which has been cancelled/called back by the customer.

**9 Cash balance:**

9.1 As at March 31, 2023, there was cash balance of USD Nil/-.

**10 Impairment of non-financial assets:**

10.1 At each reporting date, the Company reviews the carrying amounts of its non-financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

10.2 If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.



**11 Impairment of financial assets:**

- 11.1 An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial assets or the group of financial assets that can be readily estimated.
- 11.2 If such evidence exists, any impairment loss is recognised in the statement of comprehensive income. Impairment is determined as follows:
- For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income;
  - For assets carried at cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
  - For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of estimated future cash flows discounted at the financial assets original effective interest rate.
- 11.3 Reversal of impairment losses is recognised in prior years and is recorded when there is an indication that the impairment losses recognised for the financial asset no longer exist or have decreased and the decrease can be related objectively to an event occurring after the impairment was recognised.

**12 Financial instruments:**

- 12.1 The Company recognizes a financial instrument (being a financial asset or financial liability) only when the Company becomes a part of the contractual provisions of the instrument.
- 12.2 Accounting policy relevant to each type of financial instrument is as follows:
- **Cash & cash equivalents:**  
Cash & cash equivalents for the purpose of cash flow statement comprises of balance with banks in current accounts.
  - **Accounts receivable:**  
Accounts receivable are amounts due from customers towards sale of goods in the ordinary course of business. Accounts receivable are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less reserve for impairment of accounts receivable. A reserve for impairment of accounts receivable is recognised when it is probable that the Company will not be able to collect all amounts due according to original terms of the accounts receivable.
  - **Accounts payable:**  
Accounts payable represent obligations towards procuring services in the ordinary course of business. Same is free of interest & payable at the end of credit period granted by the suppliers. Accounts payable are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method.
  - **Other financial assets:**  
Other financial assets are recognised initially at transaction value and subsequently measured at amortised cost using the effective interest method less impairment. However, all other financial assets have a value on realization in the ordinary course of the Company's business, which is at least equal to the amount at which they are stated in the statement of financial position.



**- Other financial liabilities:**

Other financial liabilities, including borrowings, are initially measured at transaction value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

12.3 A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is de-recognised either when:

- the rights to receive cash flows from the asset have expired or
- 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
- 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.

12.4 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 recognised to the extent of the Company's continuing involvement in the asset.

12.5 A financial liability is derecognised 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 recognised in the statement of comprehensive income.

12.6 Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and the Company intends to settle on a net basis.

**13 Leases:**

13.1 Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to lessee. All other leases are operating lease.

**Operating lease:**

Lease payments under an operating lease are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term. Generally, the Company's operating leases are for annual duration and hence the Company is not exposed to any operating lease obligations.

**14 Provisions & contingencies:**

14.1 Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of economic benefits would be required to settle these obligations and a reliable estimate of the same can be made.

14.2 Contingent liabilities are not recognized but are disclosed in the notes to financial statements. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When likelihood of outflow is remote, no provision or disclosure is made.

14.3 Provisions include the provision made for the Expenses paid by M/s. JV MEP on behalf of OEG FZCO for the period from January 2023 to March 2023 for the electricity & water expenses of USD 15,790/-



**15 Revenue recognition:**

- 15.1 Revenue is recognized when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at fair value of consideration received or receivable, excluding discounts, rebates and duties.
- 15.2 Revenue comprises of income received from rendering mobilization, operational & maintenance services. Revenue is recognized when service is imparted and right to received is established.
- 15.3 Consultancy service income comprises of income received from providing the consultancy services. Revenue is recognized when service is imparted and right to received is established.
- 15.4 Other income is recognized as & when due or received whichever is earlier.

**16 Expenditure:**

- 16.1 Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. Expenses are presented in the statement of comprehensive income, classified according to the function of expense.

**17 Value added tax:**

- 17.1 As per the Federal Decree-Law No. (08) of 2017, effective from January 1, 2019, Value Added Tax (VAT), is charged at 5% standard rate or 0% on every taxable supply and deemed supply made by the Company. The Company is required to file its VAT returns and compute the payable / receivable tax (which is output tax less input tax / input tax) for the allotted tax period and deposit / claim refund the same within the prescribed due dates of filing VAT return. Net position of Value added tax as on reporting date is disclosed under other current assets or current liabilities as applicable.
- 17.2 We acknowledge our responsibility for preparation of the UAE VAT return in accordance with the requirements of any other applicable laws for the time being in force.
- 17.3 We state that we have disclosed necessary and correct information in the VAT return.
- 17.4 We certify that the contents of the UAE VAT return are true and correct and are in agreement with the book of accounts.
- 17.5 To the best of our knowledge and belief, there was no violation of the provisions of the Federal Decree-Law No. (8) of 2017 for Value-Added Tax (VAT) and various Cabinet Decisions including Decision No. 52 on the Executive Regulation for the Federal Decree-Law No. (8) of 2017 on value added tax and absolve you from any responsibility relating to same.

**18 Foreign currency transactions:**

- 18.1 Transactions in foreign currency, if any, are converted into functional currency at prevailing exchange rate on the date such transactions are entered into.
- 18.2 Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies which are stated at historical cost or fair value, are translated into functional currency at the exchange rates prevailing on the date of such transaction or the date of determination of fair value respectively.
- 18.3 Resultant loss or gain has been recognized in the statement of comprehensive income, in the year in which such assets are realized or liabilities are discharged.



**19 Other current assets:**

- 19.1 In the qualified opinion of the shareholders, all the current assets have a value on realization in the ordinary course of the Company's business, which is at least equal to the amount at which they are stated in the statement of financial position.

**20 Related party transactions:**

- 20.1 The Company enters into transactions with another Company and person that fall within the definition of a related party as per the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).
- 20.2 The terms of trade with such related parties are based on commercial terms & conditions agreed upon with them by the management.
- 20.3 Related parties with whom the company has entered into transactions during the year under review, comprise of the shareholder, group companies, associate company and key management personnel as stated hereunder.

**Name of the related parties**
**Control**
**Relation**

M/s Pacific Technical Services India Private Limited, India

100% control

Parent company

M/s Operational Energy Group India Ltd., India

Common control

Group company

M/s OEG Bangladesh Pvt Ltd, Bangladesh

Common control

Group company

Ms. Ravindran Nair Ranjini

Manager

Key management  
personnel

- 20.4 During the year under review, no trade transactions were entered into with related parties.

**Nature of transaction**

2022-23

2021-22

USD

**Compensation to key management personnel:**

- Manager's remuneration & benefits

6,569/-

6,569/-

**Amount due from related party:**

Amount due from related party is free of interest.

- 20.5 Apart from above, the Company does not have nor has transacted with any other related parties within or outside U.A.E. during the year under review.

**21 Liabilities:**

- 21.1 We have recorded and disclosed, as appropriate, all liabilities, both actual and contingent and have disclosed the same in the statement of financial position or in the notes to the financial statements such liabilities.
- 21.2 We further state that we have made available to you all the books of accounts and supporting documents. We have also made available to you all significant contracts and agreements. The financial statements are free of material misstatements, including omissions.
- 21.3 We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.



**22 Litigation and claims:**

- 22.1 To the best of our knowledge there are at the date of this letter no ongoing or pending legal actions against the Company other than those disclosed in the notes to the financial statements that would materially affect the working or financial statements of the Company.

**23 Events occurring after the reporting date:**

- 23.1 Except for the above, there were no significant events occurring after the reporting date that would materially affect the working or the financial statements of the Company.

**24 Statement of comprehensive income:**

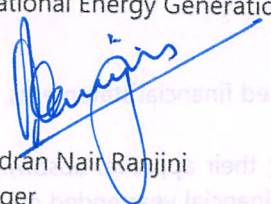
- 24.1 Except as disclosed in the financial statements, the results for the year were not materially affected by:
- a. Transactions of a type not usually undertaken by the Company,
  - b. Circumstances of an exceptional or non-recurring nature,
  - c. Charges or credits relating to prior years.
- 24.2 There were no unrecorded sales or income during the year.

**25 Other matters:**

- 25.1 We certify that the Company has properly complied with the legislation formalities and there has been no violation of any of the provisions of the Memorandum & Articles of Association of the Company which would affect materially the working of the Company or the financial statements of the Company.
- 25.2 We certify that the contents of the manager's report are true and correct and are in agreement with the book of accounts.
- 25.3 We hereby confirm the audit report and absolve the auditors from any responsibility relating to accounts & audit reports up to the financial year ended on March 31, 2023, save the cases of voluntary fraud by auditors;
- 25.4 We undertake to indemnify the auditors for any costs, losses, liabilities that they may have to incur or bear as a result of their signing of audit reports or any other certifications for the Company to the extent such claim is determined to have resulted from Company's negligence or voluntary fraud. Said amount shall be paid without any protest or deductions on demand by the auditors.

Thanking you,  
Sincerely yours,

Operational Energy Generation FZCO

  
Ravindran Nair Ranjini  
Manager







**Minutes of the meeting of the Manager of  
Operational Energy Generation FZCO  
Dubai Airport Free Zone, Dubai (U.A.E.)**

**held on July 05, 2023 to approve the audited financial statements**

A meeting of the manager of Operational Energy Generation FZCO, Dubai Airport Free Zone, Dubai (U.A.E.) was held on July 05, 2023 at the registered office of the Company to finalise and authorize for issuance the financial statements of the Company for the year ended on March 31, 2023.

1. Ms. Ravindran Nair Ranjini

Following resolutions were unanimously passed at the meeting:

**RESOLUTION NO. 1:**

The draft audited financial statements were prepared and circulated by the auditors to the management. The manager has reviewed the draft financials and agree to its content, audit adjustment journals and management's responsibility.

RESOLVED THAT the draft audited financial statements for the year ended March 31, 2023 as enclosed herewith are approved in its current form & state, without any modifications.

FURTHER RESOLVED THAT provisions for slow moving stock, staff benefits, amortization of intangible assets, impairment of accounts receivables, impairment of advances, manager's remuneration & benefits, discounts and other provisions as provided and / or paid in the books of account are approved without any modifications. Auditor's recommendation and adjustment entries also have been received and incorporated.

The financial highlights of the Company are as below:

	<u>USD</u>
	<u>2022-23</u>
Revenue	109,474/-
Gross (loss)	(550,251/-)
Other income	463,952/-
Net (loss)	(474,482/-)
Total liabilities	1,374,978/-
Equity & shareholder's funds	1,950,437/-

**RESOLUTION NO. 2:**

RESOLVED that the manager hereby approves & authorises the issuance of audited financial statements.

FURTHER RESOLVED that manager hereby recommends to the shareholder for their approval absolving the auditors from any responsibility relating to accounts & audit reports up to the financial year ended on March 31, 2023. The manager also undertakes & recommends the shareholder to undertake to indemnify the auditors for any costs, losses, liabilities that they may have to incur or bear as a result of their signing of audit reports or any other certifications for the Company. Said amount shall be paid without any protest or deductions on demand by the auditors.

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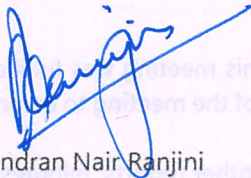
**RESOLUTION NO. 3:**

Manager noted that M/s Kothari Auditors & Accountants are eligible for re-appointment and have consented to act as Company's auditors, if appointed by the shareholder.

RESOLVED THAT M/s Kothari Auditors & Accountants, Post Box 51504, Dubai (U.A.E.) are hereby recommended to be appointed as the auditors of the Company for the year 2023-24 on terms and conditions to be mutually decided and agreed upon.

Above resolution unanimously passed

Signed



Ravindran Nair Ranjini  
Manager







**Minutes of Shareholder's Meeting  
Operational Energy Generation FZCO  
Dubai Airport Free Zone, Dubai (U.A.E.)**

**held on July 06, 2023 to approve the audited financial statements**

A meeting of the shareholder of Operational Energy Generation FZCO, Dubai Airport Free Zone, Dubai (UAE) was held on July 06, 2023 at the registered office of the Company to finalise and adopt the financial statements of the Company for the year ended on March 31, 2023 and following shareholder was present:

Ms. Ravindran Nair Ranjini (representing M/s Pacific Technical Services India Private Limited)

**Chairman:**

Ms. Ravindran Nair Ranjini was elected chairman of the meeting.

Chairman noted that all necessary formalities for the issuance of the notice for this meeting was fulfilled and requisite quorum was observed and hence the Chairman ordered the proceedings of the meeting to commence.

The audited financial statements were laid out before the shareholder along with other reports, minutes of the manager approving & authorizing the issuance of these financial statements. The shareholder discussed over the report and passed the following resolutions unanimously:

**RESOLUTION NO. 1:**

RESOLVED THAT the accounts for the year ended March 31, 2023 as laid before the members and already approved & authorized for issuance by the manager are approved without any modifications.

FURTHER RESOLVED THAT audit adjustments, provisions, impairment, manager remuneration & benefits and other provisions as provided and / or paid in the books of account are approved without any modifications. The balance in shareholder's current account is also hereby agreed & approved.

**RESOLUTION NO. 2:**

RESOLVED that the shareholder hereby confirm the audit report and absolve the auditors from any responsibility relating to accounts & audit reports up to the financial year ended on March 31, 2023.

Further shareholder undertakes to indemnify the auditors for any costs, losses, liabilities that they may have to incur or bear as a result of their signing of audit reports or any other certifications for the Company. Said amount shall be paid without any protest or deductions on demand by the auditors.

FURTHER IT WAS RESOLVED that parent Company resolves to provide necessary financial support to the company for at least next 12 months from the reporting year end, i.e., up to & including March 31, 2024 and the Company's financial statements should be prepared based on going concern assumption.

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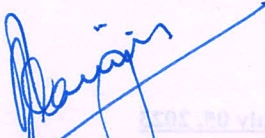


## RESOLUTION NO. 3:

RESOLVED THAT M/s Kothari Auditors & Accountants, Post Box 51504, Dubai (U.A.E.) are hereby appointed as the auditors of the Company for the year 2023-24 as per recommendation of the manager on terms and conditions to be decided and agreed upon by the management.

ABOVE RESOLUTIONS UNANIMOUSLY PASSED

SIGNED:



Ravindran Nair Ranjini

(Representing M/s Pacific Technical Services India Private Limited)



S. No.	Particulars	Yes/No	Remarks
1	Have any of the following events happened?		
	(Company has filed for bankruptcy or wound become bankrupt)	NO	
	(Company has resolved to liquidate or court has ordered liquidation)	NO	
	(Company / management / board has no intention to continue the business)	NO	
	The liabilities of the company have risen to a level where objective continuity of the company is in doubt.	NO	
	Has there been or are there steps being initiated for discontinuance of any line of business?	NO	
	If yes, how much did that line of business contribute in 2022?		
	The total revenue (in % terms)		
	The total net profit (in % terms)		
	Has any of the company's subsidiary (ies) filed for or has initiated steps to liquidate?	NO	
	If yes, how much is the company's exposure in that subsidiary(ies)		
	In terms of capital investment		
	In terms of loan / advance outstanding		
	In terms of outstanding receivables		







To,  
Kothari Auditors & Accountants  
Post Box 51504  
Dubai (U.A.E.)

Dear Sir,

**Sub.: Subsequent events questionnaire & representation by management as at July 05, 2023**

**Ref.: Audit for the year 2023**

We confirm the following to the best of our knowledge and belief.

We understand that based on our replies in this representation, you shall use the content (along with other matters that you deem fit) to form an opinion about the going concern assumption and shall report and / or form an opinion about the future operations / continuity of the company.

We further confirm that our financial transactions for the subsequent period are not updated and hence understand that you shall fully rely on this representation.

S.No	Particulars	Yes/No/ N.A.	Remarks
1	<b>Have any of the following events happened?</b>		
	Company has filed for bankruptcy or would become bankrupt.	NO	
	Company has resolved to liquidate or court has ordered liquidation	NO	
	Company / management / board has no intention to continue the business	NO	
	The liabilities of the company have risen to a level, where objective continuity of the company is in doubt	NO	
2	<b>Has there been or are there steps being initiated for discontinuance of any line of business?</b>	NO	
	If yes, how much did that line of business contribute in 2023 to;		
	The total revenue (in % terms)		
	The total net profit (in % terms)		
3	<b>Has any of the company's subsidiary (ies) filed for or has initiated steps to liquidate?</b>	NO	
	If yes, how much is the company 's exposure in that subsidiary(ies)		
	In terms of capital investment		
	In terms of loan / advance outstanding		
	In terms of outstanding receivables		





4	Has any of the company's debtors (customer, advance taker, etc.,) become bankrupt or has filed for bankruptcy?	NO	
	If yes, how much is company's exposure to that debtor		
	In terms of amount due & outstanding		
	In terms of business it generated from this debtor		
5	Has any of the company's investments' (property, stock & shares, open derivative position, etc.,) fair value declined	NO	
	If yes, please provide with a list of latest fair values / net asset values		
6	Has the company defaulted on any of its contractual bank loans / facilities?	NO	
	If yes, does the bank have the right to demand for the outstanding amount immediately?		
	What is the amount of default		
	Is the default condoned by the bank? Please provide communication		
7	Has there been any legal suit filed / brought against the company during the year?	NO	
	If yes, please provide details & lawyer confirmation of the likely outcome		
	Also provide the liability, which company might required to settle 'contingent liability'		
8	Has there been any unfavorable judgement against the company, in case of any legal case brought against the company?	NO	
	If yes,		
	Had the company disclosed the liability in the books, as contingent?		
	How much will be materialized liability, as per the judgement?		
9	Has there been any event of the force-of-nature (fire, flood, earthquake, etc.,)?	NO	
	If yes, what has been the impact on the Company.		
	In terms of loss of revenue generating capacity (factory, Warehouse, storage, etc.,)		
	In terms of loss of property, plant & equipment, inventory		
	In terms of loss of key management personnel		
	In terms of loss revenue during the intermittent period		





10	Has there been any other major event in the company;		
	Which materially curtails revenue generating capacity	NO	
	Which materially impairs the assets of the company	NO	
	Which materially curtails effective functioning of the company	NO	
	Which materially curtails the fund management & liquidity of the company	NO	

The above information is true & correct to the best of our knowledge.

For Operational Energy Generation FZCO

Ravindran Nair Ranjini  
Manager



Place : Dubai, United Arab Emirates  
Date : July 05, 2023