

JINDAL SAW GULF L.L.C

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2025

The directors submit their report and financial statements for the year ended 31 March 2025. We approve the financial statements and confirm that we are responsible for these, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Results and dividends

The profit for the year amounted to AED 32,481,189.

Review of the business

The company's principal activities during the year were manufacturing and supplies of ductile iron pipes and fittings.

Legal and regulatory requirements

The company has complied with the applicable provisions of the UAE Federal Law No. (32) of 2021.

Events since the end of the year

There are no significant events since the end of the year.

Shareholders and their interests

The shareholders at 31 March 2025 and their interests at that date in the share capital of the company were as follows:

Name	No. of shares	AED
M/s Jindal Saw Holdings FZE	153	153,000
M/s Jindal Saw Middle East FZE	147	147,000
	<u>300</u>	<u>300,000</u>

Independent auditor

PKF were appointed as independent auditor for the year ended 31 March 2025. The general assembly will appoint the auditor for the year ending 31 March 2026.



AMIT KUMAR
DIRECTOR



SANDEEP PRAHLADRAI AGARWAL
DIRECTOR





INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **JINDAL SAW GULF L.L.C**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **JINDAL SAW GULF L.L.C** (the "Company"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) issued or adopted by the international Accounting Standards Boards (IASB).

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 (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates (UAE), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises the Directors' report as required by the UAE Federal Law No. (32) of 2021, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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INDEPENDENT AUDITOR'S REPORT

(continued)

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with the applicable provisions of 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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INDEPENDENT AUDITOR'S REPORT

(continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 gives a true and fair view.

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.

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INDEPENDENT AUDITOR'S REPORT

(continued)

Report on Other Legal and Regulatory Requirements

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

- i) We have obtained all the information we considered necessary for the purpose of our audit;
- ii) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021,
- iii) The Company has maintained proper books of account;
- iv) The financial information included in the Directors' report is consistent with the books of account of the Company;
- v) The Company has not purchased or invested in any shares during the financial year ended 31 March 2025;
- vi) Note 12 to the financial statements reflects material related party transactions, and the terms under which these were conducted;
- vii) 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 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2025 and there are no significant penalties imposed on the Company.



PKF

Abu Dhabi

United Arab Emirates

26 April 2025

JINDAL SAW GULF L.L.C

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 AED	2024 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	349,749,112	202,215,706
Intangible assets	7	8,103	13,308
Deferred tax assets	8	330,858	--
		<u>350,088,073</u>	<u>202,229,014</u>
Current assets			
Inventories	9	241,201,426	323,120,209
Trade and other receivables	10	173,394,714	149,096,773
Other current assets	11	49,384,810	20,611,494
Due from a related party	12	435,963	--
Other financial assets	13	2,121,426	244,093
Cash and cash equivalents	14	1,528,745	1,491,720
		<u>468,067,084</u>	<u>494,564,289</u>
Total assets		<u>818,155,157</u>	<u>696,793,303</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	15	300,000	300,000
Statutory reserve		150,000	150,000
Retained earnings / (accumulated losses)		2,988,593	(29,492,596)
Equity/(deficit)		<u>3,438,593</u>	<u>(29,042,596)</u>
Non-current liabilities			
Long-term borrowings	16	58,245,340	--
Lease liabilities	17	69,094,527	54,712,353
Loan from related parties	12	301,587,869	--
Provision for staff end-of-service benefits	18	7,774,261	7,656,674
		<u>436,701,997</u>	<u>62,369,027</u>

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JINDAL SAW GULF L.L.C

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

(Continued)

	Notes	2025 AED	2024 AED
Current liabilities			
Short-term borrowings	16	212,413,165	--
Trade and other payables	19	87,659,682	68,608,803
Lease liabilities	17	4,158,520	25,901,043
Due to a related party	12	24,905,247	--
Other current liabilities	20	4,450,086	1,819,216
Shareholder's current account	21	--	562,936,967
Contract liabilities	22	44,427,867	4,200,843
		<u>378,014,567</u>	<u>663,466,872</u>
Total liabilities		<u>814,716,564</u>	<u>725,835,899</u>
Total equity and liabilities less deficit		<u>818,155,157</u>	<u>696,793,303</u>

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

The report of the independent auditor is set forth on pages 2 to 5.

Approved and authorised for issue by the shareholders and signed on their behalf by directors
Mr. Amit Kumar and Mr. Sandeep Prahladrail Agarwal on

For JINDAL SAW GULF L.L.C



AMIT KUMAR
DIRECTOR



SANDEEP PRAHLADRAI AGARWAL
DIRECTOR



JINDAL SAW GULF L.L.C

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

	Notes	2025 AED	2024 AED
Revenue	24	849,826,184	896,370,231
Direct costs	25	(620,142,972)	(643,299,794)
Gross profit		229,683,212	253,070,437
Other income	26	1,924,310	120,000
Selling and distribution expenses	27	(135,932,278)	(163,381,018)
Administrative expenses	28	(30,093,305)	(26,281,895)
Allowance for expected credit losses (net)	9	(13,361)	(178,565)
Finance costs	29	(30,439,826)	(27,096,396)
PROFIT BEFORE INCOME TAX FOR THE YEAR		35,128,752	36,252,563
Tax expense	33	(2,647,563)	--
PROFIT AFTER TAX FOR THE YEAR		32,481,189	36,252,563
Other comprehensive income		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		32,481,189	36,252,563

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

The report of the independent auditor is set forth on pages 2 to 5.



JINDAL SAW GULF L.L.C

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

		Share capital	Statutory reserve	(Accumulated losses) / retained earnings	Total
		AED	AED	AED	AED
As at 1 April 2023		300,000	150,000	(65,745,159)	(65,295,159)
Comprehensive income					
- Profit for the year	(a)	--	--	36,252,563	36,252,563
- Other comprehensive income	(b)	--	--	--	--
Total comprehensive income for the year	(a + b)	--	--	36,252,563	36,252,563
Balance at 31 March 2024		300,000	150,000	(29,492,596)	(29,042,596)
Comprehensive income					
- Profit after tax for the year	(c)	--	--	32,481,189	32,481,189
- Other comprehensive income	(d)	--	--	--	--
Total comprehensive income for the year	(c + d)	--	--	32,481,189	32,481,189
Balance at 31 March 2025		300,000	150,000	2,988,593	3,438,593

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

The report of the independent auditor is set forth on pages 2 to 5.



JINDAL SAW GULF L.L.C

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
Cash flows from operating activities		
Profit before tax for the period	35,128,752	36,252,563
Adjustments for:		
Depreciation of property, plant and equipment	38,234,989	37,885,813
Amortisation of intangible assets	5,205	9,463
Finance costs	31,013,303	29,773,328
Expenses recovered from a related party	(120,000)	(120,000)
Gain on cancellation of a lease contract	(1,763,078)	--
Allowance for expected credit losses (net)	13,361	178,565
Loss on disposals of property, plant and equipment	490,769	255,250
Provision for staff end-of-service benefits	1,227,479	2,750,458
	<u>104,230,780</u>	<u>106,985,440</u>
Changes in:		
• Inventories	81,918,783	(84,243,914)
• Trade and other receivables	(24,311,302)	(22,466,349)
• Other current assets	(28,773,316)	(8,498,527)
• Trade and other payables	15,765,499	(11,733,148)
• Other current liabilities	(347,551)	217,914
• Contract liabilities	40,227,024	889,778
Staff end-of-service benefits paid	(1,109,892)	(584,667)
Net cash generated from / (used in) operations	<u>187,600,025</u>	<u>(19,433,473)</u>
Cash flows from investing activities		
Proceeds on disposal of property, plant and equipment	3,514	321,465
Payments for property, plant and equipment	(23,850,108)	(25,418,580)
Increase in other financial assets	(1,877,333)	(244,093)
(Payments to) / receipt from related parties	(315,963)	120,000
Net cash used in investing activities	<u>(26,039,890)</u>	<u>(25,221,208)</u>

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JINDAL SAW GULF L.L.C

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

(Continued)

	2025 AED	2024 AED
Cash flows from financing activities		
Proceeds from term loans (net)	86,005,068	--
Proceeds from bank overdrafts (net)	3,131,765	--
Proceeds from trust receipts (net)	181,521,672	--
Payments of lease liabilities (net)	(18,911,547)	(31,893,139)
Interest paid	(22,669,362)	(23,827,538)
Receipts from / (payments to) related parties	301,587,869	(8,892,844)
Funds (withdrawn) / introduced by a shareholder	(692,188,575)	109,885,201
Net cash (used in) / from financing activities	<u>(161,523,110)</u>	45,271,680
Net increase in cash and cash equivalents	37,025	616,999
Cash and cash equivalents at beginning of year	1,491,720	874,721
Cash and cash equivalents at end of year (note 14)	<u>1,528,745</u>	<u>1,491,720</u>
Non-cash investing and financing activities include		
Property, plant and equipment (net) transferred by a shareholder (credited to shareholder's current account)	(154,156,855)	--
Shareholder's current account balance reclassified as amount due to a related party	<u>24,905,247</u>	--

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

The report of the independent auditor is set forth on pages 2 to 5.



JINDAL SAW GULF L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. LEGAL STATUS AND BUSINESS ACTIVITY

- a) **JINDAL SAW GULF L.L.C** (the "Company") is a limited liability company registered in the Emirate of Abu Dhabi, United Arab Emirates, under industrial license number IN-1002018, in accordance with the applicable provisions of the UAE Federal Law No. (2) of 2015 (repealed by UAE Federal Law No. (32) of 2021). The registered office of the Company is PO Box 92135, Abu Dhabi ICAD III, UAE. The Company was registered and commenced operations on 18 August 2010.
- b) The Company's principal activities during the year were manufacturing and supplies of cast iron tubes, pipes, hollow profiles and fittings, metal coating and supplies, and non-metallic coating and supplies of metals.
- c) The shareholders of the Company are M/s Jindal Saw Holdings FZE, incorporated in the Fujairah Free Zone, Fujairah – United Arab Emirates, holding 51% of the share capital and M/s Jindal Saw Middle East FZE, incorporated in the Fujairah Free Zone, Fujairah – United Arab Emirates, holding 49% of the share capital. M/s Jindal Saw Holdings FZE holds 51% equity interest and it has power to govern the investee since remaining 49% shares are held by M/s Jindal Saw Middle East FZE for and on behalf of the M/s Jindal Saw Holdings FZE and thus it is considered that 100% control is with the management of M/s Jindal Saw Holdings FZE. The ultimate parent company is M/s Jindal Saw Limited, a company registered in India and listed on National Stock Exchange of India ("NSE") and Bombay Stock Exchange ("BSE") in India, which is also the ultimate controlling party.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 April 2024, and the requirements of the UAE Federal Law No. (32) of 2021.

b) Basis of measurement

The financial statements are prepared using historical cost except for certain financial assets carried at fair value.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

c) **Going Concern**

The financial statements are prepared on a going concern basis.

When preparing financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

d) **Adoption of new International Financial Reporting Standards**

Standards, amendments, improvements, and interpretations effective for the current period

The following amendments, improvements and interpretations which became effective for current period, did not have any significant impact on the Entity's financial statements:

- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangement
- Amendments to IAS 1 Presentation of Financial Statements relating to Classification of Liabilities as Current or Non-Current
- Amendments to IAS 1 – Non-current Liabilities with Covenants
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback
- IFRS S1 General Requirements for Disclosure of Sustainability Related Financial Information and IFRS S2 Climate Related Disclosures

New and revised IFRSs in issue but not yet effective and not early adopted

The following amendments, improvements and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to IAS 21 – Lack of Exchangeability (1 January 2025)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7) (1 January 2026)
- IFRS 18 *Presentation and Disclosures in Financial Statements* (1 January 2027)

e) **Functional and presentation currency**

The financial statements are presented in UAE Dirhams ("AED") which is also the Company's functional currency.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

3. SIGNIFICANT ACCOUNTING POLICIES

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

a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses or valuation. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognized, using the straight-line method over the estimated useful lives of the assets as follows:

Right-of-use assets	3 - 22 years
Building improvements	20 years
Plant and machinery	5 - 20 years
Furniture, fixture and office equipment	2 - 4 years
Motor vehicles	5 years

Moulds are depreciated based on the quantity of pipes manufactured which ranges from 1,000 units to 6,000 units depending on the diameter of the pipes.

The Company has presented right-of-use assets representing the right to use the underlying assets under property, plant and equipment [notes 3 (k) and 6].

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other income / administrative expenses' in profit or loss.

b) **Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment losses. The cost of computer software is amortised over 3 years.

An assessment of amortisation method and useful lives is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the amortisation charge.

c) **Impairment of tangible and intangible assets**

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

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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 immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

d) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, 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 taxable person.

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Company files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposits the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT Payable are offset, and the net amount is reported in the statement of financial position as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

e) **Inventories**

Inventories of raw materials are valued at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) method and includes invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

Semi-finished goods are valued at cost of input valued at Weighted Average Cost (WAC) basis plus overheads up till the stage of completion.

Finished goods are stated at lower of cost and net realizable value. Cost comprises of direct materials valued at Weighted Average Cost (WAC), labour and other attributable overheads.

f) **Staff benefits**

The Company provides staff end-of-service benefits to its non-UAE national employees as per the applicable local laws, the entitlement to these benefits is based on upon the employees' final salary and length of services which is accrued over the period of employment. Provision for staff end of services benefits are disclosed as non-current liability.

Accruals are also made for employees' entitlement to annual leave salaries for eligible employees as per the policy of the Company. Accruals relating to annual leave is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Defined contribution plan

U.A.E. national employees of the Company are members of the Government-managed retirement pension and social security benefit scheme pursuant to U.A.E. Labour Law No. 7 of 1999. The Company is required to contribute 15% of the “contribution calculation salary” of payroll costs to the retirement benefit scheme to fund the benefits. The employees and the Government contribute 5% and 6% of the “contribution calculation salary” respectively, to the scheme. The only obligation of the Company with respect to the retirement pension and social security scheme is to make the specified contributions. The contributions are charged to profit or loss.

g) **Statutory reserve**

In accordance with the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, the Company is required to establish a statutory reserve by appropriation of 5% of net profit until the reserve equals 50% of the share capital. The shareholders may resolve to discontinue such deduction when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law. During the year, no transfer of statutory reserve has been made as the statutory reserve has reached the mandatory threshold prescribed by the UAE Federal Law No. (32) of 2021.

h) **Revenue recognition**

The Company’s principal activities during the year were manufacturing and supplies ductile iron pipes and fittings.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

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

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

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods

The Company has concluded that revenue from sale of goods should be recognised at the point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, significant financing components, non-cash consideration and consideration payable to the customer.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

i) Variable consideration

If the consideration in the contract includes a variable amount, the Company estimates the amount of consideration it is entitled to in exchange for transferring the goods. The amount of variable consideration is estimated at contract inception using either the expected value method or the most likely amount method and is constrained until the associated uncertainty is subsequently resolved.

ii) Significant financing component

The Company receives short-term advance from its customers. As the period between the transfer of promised goods or services to the customer and when the customer pays for those goods or services is expected to be less than one year, the Company has used the practical expedient in IFRS 15 and not adjusted the consideration for significant financing component.

Shared support services

The Company entered into an agreement with the related party for the recharge of shared support services for an amount equal to costs. The shared support services include but are not limited to personnel cost, depreciation on property, plant and equipment, rental costs and administrative costs.

i) **Direct costs**

Direct costs comprise costs relating to the manufacturing activity and goods supplied in general and which can be allocated to the products manufactured and sold. In addition, direct costs include other costs which are specifically chargeable to the customer under the terms of the contracts.

Costs that cannot be related to manufacturing activity and goods supplied in general or cannot be allocated to the products manufactured and sold are excluded from the direct costs and are included in administrative / selling and distribution expenses.

j) **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

k) Leases

As a lessee

The Company leases various properties and vehicles. Rental contracts are typically made for fixed periods up to 30 years but may have extension options except in case of vehicles and some office spaces due to the fact that the Company could replace them without significant cost or business disruption. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased factory land are used as security for borrowing purposes (note 6).

Right-of-use assets

The Company recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial costs; and
- restoration costs.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-assets are subject to impairment.

Lease liabilities

The Company recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. 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;
- the exercise price of a purchase option reasonably certain to be exercised by the Company; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The Company uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments and uses the incremental borrowing rate at the commencement date of the lease if the profit rate implicit in the lease is not readily determinable. Further, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

l) **Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank current accounts, free of encumbrance and which are subject to an insignificant risk of changes in value net of temporary bank overdrafts.

m) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

n) **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

o) **Provisions**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

p) **Contingencies and commitments**

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

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

All other assets are classified as non-current.

A liability is current when:

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The Company classifies all other liabilities as non-current.

r) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (“FVTOCI”) – debt investment; FVTOCI – equity investment; or fair value through profit or loss (“FVTPL”).

The classification of financial assets at initial recognition depends on the financial assets’ contractual cash flow characteristics and the Company’s business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any using the effective interest method.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of trade and other receivables, other financial assets, and cash and cash equivalents.

Financial liabilities

Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise of lease liabilities, trade and other payables, due to a related party and shareholder's current account.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Impairment of financial assets

Expected credit losses (ECLs) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- Bank balances, security deposits, advances to staff, other receivables and other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company has elected to measure loss allowances for trade receivables at an amount equal to lifetime ECLs. The Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30-180 days past due.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

s) **Fair value measurement**

The Company discloses the fair value of financial instruments measured at amortised cost.

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

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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

The fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

4. **SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Classification of financial assets

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.

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment and intangible assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Leases

Determining the lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The Company has the option, under some of its leases to lease the assets for additional years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew considering the factors that are normally the most relevant, such as (i) significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate) (ii) If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate) (iii) Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. The Company considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"), which ranges from 5% to 6%, due to the absence of implicit rates in the lease contracts.

Management has applied judgments and estimates to determine the IBR at the transition date, using borrowing rates that certain financial institutions would charge the Company against financing the different types of assets it leases over different terms and different ranges of values. IBR is further adjusted for Company's specific risk, term risk and underlying asset risk. Majority of the leases are present in the UAE and accordingly no adjustment for the economic environment was deemed required.

Recognition of revenue and allocation of transaction price

Determine timing of satisfaction of performance obligation

The Company concluded that the revenue from sales of goods is to be recognised at a point in time when control of the goods has transferred to the customers. Payment of the transaction price is due in 60 to 180 days from the date the customer purchases the goods.

For sale of goods to the customer, revenue is recognised when control of the goods has transferred, being when the goods have been transported to the customer's specific location as per the contracted terms. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Company's inventory, stated at AED 241,201,426 (at 31 March 2024 - AED 323,120,209) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Fair value of financial assets

The fair values of financial instruments that are not traded on an active market are determined using valuation techniques. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period. The key assumptions used and the impact of changes in these assumptions is provided in note 3 (s).

Impairment

Assessment of net recoverable amounts of property, plant, and equipment and intangible assets is based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 3 (r).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 7,774,261 (at 31 March 2024 - AED 7,656,674), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.



JINDAL SAW GULF L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

6. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties			Plant and machinery				Furniture, fixtures and office equipment	Motor vehicles	Total
	Right-of-use assets [(refer notes (b) and (c) below] AED	Capital work- in- progress AED	Other leasehold buildings Improvements AED	Right-of-use assets [refer note (a) below] AED	Capital work- in- progress AED	Moulds	Other equipment in use AED			
Costs										
At 1 April 2023	75,218,308	--	12,016,780	123,607,361	11,088,733	87,233,523	58,938,533	3,832,202	2,588,767	374,524,207
Additions	--	59,801	353	--	11,743,775	7,036,142	6,273,612	303,397	1,500	25,418,580
Disposals	--	--	--	--	--	(1,163,822)	(337,340)	(4,520)	--	(1,505,682)
Transferred from work in progress	--	(1,250)	1,250	--	(15,680,999)	--	15,680,999	--	--	--
At 31 March 2024	75,218,308	58,551	12,018,383	123,607,361	7,151,509	93,105,843	80,555,804	4,131,079	2,590,267	398,437,105
Additions	--	42,417	17,922	--	7,457,774	5,989,288	9,686,795	251,172	404,740	23,850,108
Adjustment on modification of lease contract	20,273,095	--	--	--	--	--	--	--	--	20,273,095
Transfers by a shareholder [note (a) below]	--	--	--	--	--	9,339,398	350,171,691	--	--	359,511,089
Adjustment on cancellation of a lease contract	(7,963,116)	--	--	(123,607,361)	--	--	--	--	--	(131,570,477)
Disposals	--	--	--	--	--	(4,691,093)	(316,810)	(2,326,799)	(99,600)	(7,434,302)
Transfers	--	(30,000)	--	--	(2,189,117)	--	2,219,117	--	--	--
At 31 March 2025	87,528,287	70,968	12,036,305	--	12,420,166	103,743,436	442,316,597	2,055,452	2,895,407	663,066,618



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	Leasehold properties			Plant and machinery				Furniture, fixtures and office equipment	Motor vehicles	Total
	Right-of-use assets [notes (b) and (c) below]	Capital work-in-progress	Other leasehold buildings Improvements	Right-of-use assets [refer note (a) below]	Capital work-in-progress	Moulds	Other equipment in use			
	AED	AED	AED	AED	AED	AED	AED			
Accumulated depreciation										
At 1 April 2023	18,853,900	--	4,543,377	82,404,909	--	35,582,018	12,655,529	3,329,146	1,895,674	159,264,553
Depreciation	4,642,421	--	620,838	20,601,227	--	6,705,341	4,984,610	179,127	152,249	37,885,813
Adjustment relating to disposals	--	--	--	--	--	(614,223)	(310,735)	(4,009)	--	(928,967)
At 31 March 2024	23,496,321	--	5,164,215	103,006,136	--	41,673,136	17,329,404	3,504,264	2,047,923	196,221,399
Depreciation	5,349,726	--	621,220	8,583,845	--	6,955,170	16,371,174	226,176	127,678	38,234,989
Adjustments for transfers by a shareholder [note (a) below]	--	--	--	--	--	5,966,845	199,387,389	--	--	205,354,234
Adjustment on cancellation of a lease contract	(7,963,116)	--	--	(111,589,981)	--	--	--	--	--	(119,553,097)
Adjustment relating to disposals	--	--	--	--	--	(4,218,751)	(301,640)	(2,320,028)	(99,600)	(6,940,019)
As at 31.03.2025	20,882,931	--	5,785,435	--	--	50,376,400	232,786,327	1,410,412	2,076,001	313,317,506



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JINDAL SAW GULF L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(continued)

	Leasehold properties			Plant and machinery			Furniture, fixtures and office equipment	Motor vehicles	Total	
	Right-of-use assets [notes (b) and (c) below]	Capital work-in-progress	Other leasehold buildings Improvements	Right-of-use assets [note (a) below]	Capital work-in-progress	Other equipment in use				
	AED	AED	AED	AED	AED	AED				AED
Carrying amount										
At 1 April 2023	56,364,408	--	7,473,403	41,202,452	11,088,733	51,651,505	46,283,004	503,056	693,093	215,259,654
At 31 March 2024	51,721,987	58,551	6,854,168	20,601,225	7,151,509	51,432,707	63,226,400	626,815	542,344	202,215,706
At 31 March 2025	66,645,356	70,968	6,250,870	--	12,420,166	53,367,036	209,530,270	645,040	819,406	349,749,112

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Notes:

Right-of-use assets pertain to the rental contracts of the following leasehold properties:

- a) Plant and machinery obtained on a long-term lease from a related party having a lease term of 6 years starting from 1 April 2019 till 31 March 2025. The lease term was considered from 1 April 2019 till 31 March 2025, for calculation of right-of-use asset and the corresponding lease liabilities. However, during the current period, the lease has been terminated (note 17). The Company has acquired the same assets from a related party at their gross value.
- b) Staff accommodation - located in Musaffah, Abu Dhabi, taken on lease for a term of 3 years starting from 1 August 2021 till 31 July 2024, further renewed from 1 August 2024 to 31 July 2027. Accordingly, the lease term of three years is considered till 31 July 2027 for calculation of right-of-use asset and the corresponding lease liabilities. During the period, the total annual rent was increased, lead to the adjustments in the calculation of right-of-use assets and corresponding lease liabilities on modification of lease contract (note 17).
- c) Factory land - located in ICAD - III, Musaffah, Abu Dhabi, taken on lease for a term of 30 years starting from 18 August 2010 till 17 August 2040. The lease term is considered from 01 April 2019 till 17 August 2040, for calculation of right-of-use asset and the corresponding lease liability. During the period, the total annual rent was increased, leading to the adjustments in the calculation of right-of-use assets and corresponding lease liabilities on modification of lease contract (note 17). This leased asset is used as security for borrowing purposes (note 16).

7. INTANGIBLE ASSETS

Computer software

Cost

	AED
At 1 April 2023	1,215,374
At 31 March 2024	1,215,374
At 31 March 2025	1,215,374

Accumulated amortisation

At 1 April 2023	1,192,603
Amortisation	9,463
At 31 March 2024	1,202,066
Amortisation	5,205
At 31 March 2025	1,207,271



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	AED
Carrying amount	
At 1 April 2023	22,771
At 31 March 2024	13,308
At 31 March 2025	8,103

8. DEFERRED TAX ASSETS

At 31 March 2025, deferred tax assets of AED 330,858 (at 31 March 2024 - AED nil) pertain to the temporary differences of finance costs in excess of the deductible limit prescribed in the article 28 of the UAE Corporate Tax Regulation, which will be deductible from profit of succeeding periods.

A reconciliation of the movements in the deferred tax asset is as follows:

	2025 AED	2024 AED
Opening balance	--	--
Credited to profit and loss account	330,858	--
	330,858	--

9. INVENTORIES

Raw materials	142,802,520	195,899,886
Spares and consumables	35,214,570	41,160,757
Work-in-progress	15,715,951	31,102,437
Finished goods	47,468,385	54,957,129
	241,201,426	323,120,209

Note:

During the quarter ended 31 December 2024, a provision for obsolete inventories amounting to AED 3.1 million was recognized, instead of reducing the carrying value of inventories through net realizable value (NRV) in accordance with IAS 2 – Inventories. A reclassification entry was passed in the quarter ended 31 December 2024.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
1 - 180 days	184,217,256	269,514,565
181 - 365 days	12,567,429	13,383,739
Ove 365 days	44,416,741	40,221,905
	<u>241,201,426</u>	<u>323,120,209</u>
10. TRADE AND OTHER RECEIVABLES		
Trade receivables	173,281,693	152,286,288
Less: allowances for expected credit losses	674,411	(3,679,088)
	<u>172,607,282</u>	148,607,200
Security deposits	146,920	198,443
Advances to staff	577,424	291,130
Other receivables	63,088	--
	<u>173,394,714</u>	<u>149,096,773</u>

A reconciliation of the movements in the allowance for expected credit losses for trade receivables is as follows:

	2025 AED	2024 AED
Opening balance	3,679,088	3,500,523
Provision made during the year	13,361	178,565
Amounts written off	(3,018,038)	--
Closing balance	<u>674,411</u>	<u>3,679,088</u>

The information about credit exposure is disclosed in note 34.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

An age analysis of trade receivables at the reporting date is as follows:

	Not impaired		Impaired	
	2025 AED	2024 AED	2025 AED	2024 AED
Not past due	120,593,898	99,120,987	--	--
1-90 days past due	15,778,705	11,080,440	--	--
91-180 days past due	10,571,594	4,728,615	--	--
181-365 days past due	13,306,662	--	--	--
Over 365 days past due	12,356,423	33,677,158	674,411	3,679,088
	<u>172,607,282</u>	<u>148,607,200</u>	<u>674,411</u>	<u>3,679,088</u>

Trade receivables are secured as follows:

	2025 AED	2024 AED
Against post-dated cheques	1,501,305	2,188,432
Against bankers' letters of credit	107,990,542	71,044,692
	<u>109,491,847</u>	<u>73,233,124</u>

11. OTHER CURRENT ASSETS

	2025 AED	2024 AED
Prepayments	2,371,187	1,684,409
Advance for goods and services	32,744,978	13,361,500
VAT receivables (net)	14,268,645	5,565,585
	<u>49,384,810</u>	<u>20,611,494</u>

12. RELATED PARTIES

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

Related parties comprise shareholder, ultimate parent company, entities under common ownership and/or common management control, directors, key management personnel and relatives thereof.



JINDAL SAW GULF L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

At the 31 March 2025, significant related party balances were as follows:

	Trade Receivables AED	Trade Payables AED	Loan from related Parties AED	Shareholder's current account AED	Due to a related Party AED	Due from a related party AED	Advance for goods and services (net) AED
<u>Ultimate parent company</u>							
Jindal Saw Limited	--	32,057,339	--	--	--	--	--
<u>Shareholders</u>							
Jindal Saw Middle East FZE	--	--	--	--	24,905,247	--	--
Jindal Saw Holdings FZE	--	--	127,136,976	--	--	435,963	--
<u>Entities under common ownership and/or common management control</u>							
Jindal Saw Italia SPA. International Investments (BVI) Limited	14,197,967	--	--	--	--	--	--
Bhuj Polymers Pvt Ltd.	--	--	174,450,893	--	--	--	--
Shalimar Paint Ltd	--	155,881	--	--	--	--	211,966
	14,197,967	32,213,220	301,587,869	--	24,905,247	435,963	211,966



JINDAL SAW GULF L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	Advances to staff AED	Accruals of staff leave salaries AED	Provision for end-of-service benefits AED
<u>Directors</u>			
Amit Kumar	110,000	38,488	346,442
Mohammad Faiz Wase	--	51,982	367,788
Anil Kumar Kejriwal	--	--	--
Sandeep Prahladrai Agarwal	3,140	20,223	70,104
	113,140	110,693	784,334

At the 31 March 2024, significant related party balances were as follows:

	Trade Receivables AED	Trade and other Payables AED	Loan from related Parties AED	Shareholder's current account AED	Due to a related Party AED	Due from a related party AED	Advance for goods and services (net) AED
<u>Ultimate parent company</u>							
Jindal Saw Limited	586,946	11,713,889	--	--	--	--	--
<u>Shareholders</u>							
Jindal Saw Middle East FZE	--	--	--	562,936,967	--	--	--
Jindal Saw Holdings FZE	--	14,969,673	--	--	--	--	--
<u>Entities under common ownership and/or common management control</u>							
Jindal Saw Italia SPA.	54,780,158	797	--	--	--	--	--
	55,367,104	26,684,359	--	562,936,967	--	--	--



JINDAL SAW GULF L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	Advances to staff AED	Accruals of staff leave salaries AED	Provision for end-of-service benefits AED
<u>Directors</u>			
Amit Kumar	--	34,180	289,389
Mohammad Faiz Wase	--	45,925	305,239
Anil Kumar Kejriwal	90,000	20,442	304,932
Sandeep Prahladrai Agarwal	--	66,570	49,668
	90,000	167,117	949,228

All balances are unsecured, interest free and are expected to be settled in cash.

The balance of shareholder's current account are expected to be settled on demand.

Significant related party transactions during the year ended 31 March 2025 were as follows:

	Transfer of property, plant and equipment from a shareholder AED	Revenue AED	Materials procured AED	Expenses recovered from a related party AED	Director's remunerat -ion AED	Staff salaries and benefits AED
<u>Ultimate parent company</u>						
Jindal Saw Limited	--	4,512	47,716,212	--	--	--
<u>Shareholders</u>						
Jindal Saw Middle East FZE	154,156,855	--	--	120,000	--	--
<u>Entities under common ownership and/or common management control</u>						
Jindal Saw Italia SPA.	--	27,242,921	127,088	--	--	--
Bhuj Polymers Pvt Ltd.	--	--	15,583,371	--	--	--
Shalimar Paint Ltd	--	--	2,933,672	--	--	--
<u>Director</u>						
Ali Ahmed Saleh Al Afifi	--	--	--	--	300,000	--
Amit Kumar	--	--	--	--	--	737,085
Mohammad Faiz Wase	--	--	--	--	--	828,950
Anil Kumar Kejriwal	--	--	--	--	--	1,064,798
Sandeep Prahladrai Agarwal	--	--	--	--	--	399,828
	154,156,855	27,247,433	66,360,343	120,000	300,000	3,030,661



JINDAL SAW GULF L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	Payment of lease liabilities AED	Bank charges recharged by a related party AED	Finance costs AED	Other expenses recharged by a related party AED	Proceeds of long-term loan from related parties AED
<u>Ultimate parent company</u>					
Jindal Saw Limited	--	586,116	--	--	--
<u>Shareholders</u>					
Jindal Saw Middle East FZE	10,416,667	4,053,243	14,701,983	--	--
Jindal Saw Holdings FZE	--	--	--	255,589	127,136,976
<u>Entities under common ownership and/or common management control</u>					
International Investments (BVI) Limited	--	--	--	--	174,450,893
	10,416,667	4,639,359	14,701,983	255,589	301,587,869

Significant related party transactions during the year ended 31 March 2024 were as follows:

	Transfer of property, plant and equipment from a shareholder AED	Revenue AED	Materials procured AED	Expenses recovered from a related party AED	Director's remuneration AED	Staff salaries and benefits AED
<u>Ultimate parent company</u>						
Jindal Saw Limited	--	364,635	26,412,077	--	--	--
<u>Shareholders</u>						
Jindal Saw Middle East FZE	--	--	--	120,000	--	--
<u>Entities under common ownership and/or common management control</u>						
Jindal Saw Italia SPA.	--	62,566,704	--	--	--	--
<u>Director</u>						
Ali Ahmed Saleh Al Afifi	--	--	--	--	300,000	--
Amit Kumar	--	--	--	--	--	416,942
Mohammad Faiz Wase	--	--	--	--	--	167,521
Anil Kumar Kejriwal	--	--	--	--	--	622,365
Sandeep Prahladrai Agarwal	--	--	--	--	--	382,628
	--	62,931,339	26,412,077	120,000	300,000	1,004,993



JINDAL SAW GULF L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	Payment of lease liabilities AED	Bank charges recharged by a related party AED	Finance costs AED	Other expenses recharged by a related party AED	Proceeds of long-term loan from related parties AED
Shareholders					
Jindal Saw Middle East FZE	25,000,000	3,440,274	18,478,226	--	--
Jindal Saw Holdings FZE	--	--	--	709,217	--
Entities under common ownership and/or common management control					
International Investments (BVI) Limited	--	--	119,787	--	--
	25,000,000	3,440,274	18,598,013	709,217	--

All transactions with related parties are conducted at arm's length price.

13. OTHER FINANCIAL ASSETS

Comprise margin deposits for tender bonds of AED 2,121,426 (at 31 March 2024 AED - 244,093).

	2025 AED	2024 AED
14. CASH AND CASH EQUIVALENTS		
Cash-on-hand	142,896	55,716
Bank balances in current accounts	1,385,849	1,436,004
	<u>1,528,745</u>	<u>1,491,720</u>
15. SHARE CAPITAL		
Issued and paid up		
300 shares of AED 1000 each	<u>300,000</u>	<u>300,000</u>



JINDAL SAW GULF L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The shareholders at 31 March 2024 and their interests as at that date in the share capital of the Company were as follows:

Name	No. of shares	AED
M/s Jindal Saw Holdings FZE	153	153,000
M/s Jindal Saw Middle East FZE	147	147,000
	<u>300</u>	<u>300,000</u>

	2025 AED	2024 AED
16. BORROWINGS		
i) LONG-TERM BORROWINGS		
Term loans	86,005,068	--
Less: current portion note (ii)	(27,759,728)	--
	<u>58,245,340</u>	<u>--</u>
ii) SHORT-TERM BORROWINGS		
Bank overdrafts	3,131,765	--
Trust receipts	181,521,672	--
Current portion of term loans [note (i)]	27,759,728	--
	<u>212,413,165</u>	<u>--</u>

An analysis by bank of amounts outstanding borrowings is as follows:

	2025 AED	2024 AED
Abu Dhabi Commercial Bank PJSC	119,224,509	--
Emirates NBD Bank PJSC	19,568,512	--
First Abu Dhabi Bank PJSC	61,488,040	--
National Bank of Fujairah P.S.C.	24,229,828	--
Arab Banking Corporation	46,147,616	--
	<u>270,658,505</u>	<u>--</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

A maturity analysis of short-term and long-term bank borrowings is as follows:

	2025 AED	2024 AED
Overdrafts	3,131,765	--
0 – 1 month	56,857,972	--
1 – 3 months	37,677,934	--
3 months – 1 year	114,745,495	--
Presented as current liabilities	212,413,165	--
1 year – 5 years	58,245,340	--
Total	270,658,505	--

Notes:

Bank facilities and loans are secured by:

- i) Corporate guarantees from M/s. Jindal Saw Limited - India, the Company and related parties.
- ii) Commercial mortgage over assets of the Entity and the Company.
- iii) Pledge over 100% equity shares of the Entity held by M/s. Jindal Saw Holdings FZE and M/s Jindal Saw Middle East FZE, Fujairah - United Arab Emirates.
- iv) Assignment of all insurance policies of the Company.
- v) Assignment of receivables and charge over inventories of the Company.
- vi) Subordination of loan from a related party, M/s. International Investments (BVI) limited and M/s. Jindal Saw Holdings FZE.
- vii) Assignment of factory land leased from Abu Dhabi Port which is located in ICAD - III, Musaffah, Abu Dhabi (note 6).

The bank borrowings are subject to certain financial covenants including minimum tangible net worth, cashflow cover for debt repayments and maintenance of current ratios. All facilities are negotiated based on the financial position of the Company.



JINDAL SAW GULF L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
17. LEASE LIABILITIES		
Lease liabilities for long-term leases (note 6)	<u>73,253,047</u>	<u>80,613,396</u>

Disclosed in the statement of financial position as follows:

	2025 AED	2024 AED
Non-current liabilities	69,094,527	54,712,353
Current liabilities	4,158,520	25,901,043
	<u>73,253,047</u>	<u>80,613,396</u>

A reconciliation of the movements in the lease liabilities is as follows:

	2025 AED	2024 AED
Opening balance	80,613,396	106,560,745
Adjustment of modification of a lease contract during the year	20,273,095	--
Adjustments on cancellation of a lease contract	(13,780,459)	--
Finance cost for the year	5,058,562	5,945,790
Payments made during the year	(18,911,547)	(31,893,139)
Closing balance	<u>73,253,047</u>	<u>80,613,396</u>

Reconciliation of undiscounted lease liabilities to the lease liabilities as stated in the statement of financial position is as follows:

Lease payments due	116,679,254	111,290,230
Less: finance costs	(43,426,207)	(30,676,834)
Disclosed in the statement of financial position	<u>73,253,047</u>	<u>80,613,396</u>

A maturity analysis of undiscounted lease liabilities is as follows:

0 – 1 year	9,082,544	30,393,139
1 – 5 years	38,880,368	26,965,697
More than 5 years	68,716,342	53,931,394
Total	<u>116,679,254</u>	<u>111,290,230</u>



JINDAL SAW GULF L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
18. PROVISION FOR END-OF-SERVICE BENEFITS		
Opening balance	7,656,674	5,490,883
Provision for the year	1,227,479	2,750,458
Paid during the year	(1,109,892)	(584,667)
Closing balance	<u>7,774,261</u>	<u>7,656,674</u>
19. TRADE AND OTHER PAYABLES		
Trade payables	64,262,582	58,873,284
Accruals	23,397,100	9,735,519
	<u>87,659,682</u>	<u>68,608,803</u>

The entire trade and other payables are due for payment within one year from reporting date.

20. OTHER CURRENT LIABILITIES		
Accruals of staff leave salaries	1,471,665	1,819,216
Provision for corporate tax	2,978,421	--
	<u>4,450,086</u>	<u>1,819,216</u>

A reconciliation of the movements in the provision for income tax is as follows:

Opening balance	--	--
Provision made during the year	2,978,421	--
Closing balance	<u>2,978,421</u>	<u>--</u>

21. SHAREHOLDER'S CURRENT ACCOUNT		
Opening balance	562,936,967	453,051,766
Adjustments on transfer of property, plant and equipment from a related party	154,156,855	--
Funds (withdrawn) / introduced during the year (net)	(692,188,575)	109,885,201
Reclassified as amount due to a related party	(24,905,247)	--
Closing balance	<u>--</u>	<u>562,936,967</u>

The balance in shareholder's current account is owed to one of the shareholders, M/s Jindal Saw Middle East FZE.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

22. CONTRACT LIABILITIES

Contract liabilities of AED 44,427,867 (at 31 March 2024 - AED 4,200,843) disclosed as other current liabilities comprise advances received from customers to fulfil the contracts.

23. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the partners with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the bank facilities availed. The Company has complied with all the capital requirements to which it is subject.

Funds generated from internal accruals together with funds received from related parties net of funds provided to related parties if any and net of dividend declared are retained in the business, according to the business requirements and maintain capital at desired levels.

24. REVENUE

The Company generates revenue from the transfer of goods at a point in time. The disaggregated revenue from contracts with customers by geographical segments, major service lines and timing of revenue recognition is presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	2025 AED	2024 AED
Primary Geographical segments		
- Within UAE	37,453,747	49,116,900
- Outside UAE	812,372,437	847,253,331
	849,826,184	896,370,231
Major service lines		
- Supply of ductile iron pipes and fittings	849,826,184	896,370,231
	849,826,184	896,370,231
Timing of revenue recognition		
- At a point in time	849,826,184	896,370,231
	849,826,184	896,370,231



JINDAL SAW GULF L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
25. DIRECT COSTS		
Materials costs	473,257,424	498,481,961
Staff salaries and benefits (note 30)	42,515,699	45,163,414
Utilities (note 32)	38,872,152	43,478,015
Manufacturing overheads	33,014,031	21,208,294
Depreciation of property, plant and equipment (note 31)	31,910,189	32,291,178
Finance cost relating to lease liabilities (note 29)	573,477	2,676,932
	<u>620,142,972</u>	<u>643,299,794</u>
26. OTHER INCOME		
Gain on cancellation of a lease contract	1,763,078	--
Expenses recovered from a related party	120,000	120,000
Foreign exchange gain (net)	41,232	--
	<u>1,924,310</u>	<u>120,000</u>
27. SELLING AND DISTRIBUTION EXPENSES		
Distribution expenses	103,299,378	130,117,243
Commission expenses	25,424,716	23,648,058
Advertisement and marketing expenses	7,208,184	9,615,717
	<u>135,932,278</u>	<u>163,381,018</u>



JINDAL SAW GULF L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
28. ADMINISTRATIVE EXPENSES		
Staff salaries and benefits (note 30)	9,007,607	9,368,773
Depreciation of property, plant and equipment (note 31)	6,324,800	5,594,635
Bank charges recharged by a related party	4,639,359	3,440,274
Other expenses recharged by a related party	255,589	709,217
Bank charges others	2,458,524	1,256,225
Insurance expenses	1,327,441	1,087,151
Utilities (note 32)	971,419	1,059,847
Director's remuneration	300,000	300,000
Loss on disposal of property, plant and equipment	490,769	255,250
Foreign exchange loss (net)	--	126,761
Amortisation of intangible assets	5,205	9,463
Other expenses	4,312,592	3,074,299
	30,093,305	26,281,895
29. FINANCE COSTS		
Relating to bill discounting	4,921,558	5,229,529
On other bank loans and overdrafts	6,331,200	--
Relating to lease liabilities	5,058,562	5,945,786
Relating to loans from a related party	--	119,787
Relating to due to a related party	14,701,983	18,478,226
	31,013,303	29,773,328
Less: allocated to direct costs (note 25)	(573,477)	(2,676,932)
	30,439,826	27,096,396
30. STAFF SALARIES AND BENEFITS		
Allocated to direct costs (note 25)	42,515,699	45,163,414
Allocated to administrative expenses (note 28)	9,007,607	9,368,773
	51,523,306	54,532,187
31. DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT		
Allocated to direct costs (note 25)	31,910,189	32,291,178
Allocated to administrative expenses (note 28)	6,324,800	5,594,635
	38,234,989	37,885,813



JINDAL SAW GULF L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
32. UTILITIES		
Allocated to direct costs (note 25)	38,872,152	43,478,015
Allocated to administrative expenses (note 28)	971,419	1,059,847
	39,843,571	44,537,862

33. TAX EXPENSE

This note provides an analysis of the Company's income tax expense and shows the amounts which are recognised directly in equity and the impact of tax expense which is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

Current tax on profits for the year	2,978,421	--
Deferred tax benefit	(330,858)	--
	2,647,563	--

Numerical reconciliation of income tax expense to prima facie tax payable by tax group (note 36)

Profit before tax expense for tax group	29,157,951	--
Add/(less): Non-deductibles under Chapter 9 of UAE Corporate Tax (CT) Law		--
Fines and penalties (other than amounts awarded as compensation for damages or breach of contract)	6,802	
Gifts Presentations to customers, banks, government authorities etc	307,401	--
Entertainment expense (50% disallowed)	338,210	
Excess interest non-deductible (Interest capping/ General Interest Deduction Limitation Rule)	3,676,204	--
Excess of allowed amount on disposal of investment which satisfied participation exemption conditions	(17,996)	--
Taxable Income of tax group	33,468,572	--
Corporate Tax @ 9% on taxable income above AED 375,000	2,978,421	--



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

At the reporting date, all the financial assets and financial liabilities are carried at amortised cost and the net carrying amounts are as follows:

	2025 AED	2024 AED
Financial assets		
Trade and other receivables	173,394,714	149,096,773
Due from a related party	435,963	--
Other financial assets	2,121,426	244,093
Cash and cash equivalents	1,528,745	1,491,720
	<u>177,480,848</u>	<u>150,832,586</u>
Financial liabilities		
Borrowings (long-term and short-term)	270,658,505	--
Trade and other payables	87,659,682	68,608,803
Lease liabilities	73,253,047	80,613,396
Due to a related a party	24,905,247	--
Shareholder's current account	--	562,936,967
	<u>456,476,481</u>	<u>712,159,166</u>

Fair value measurement and disclosures

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, trade and other receivables, other financial assets, due to a related a party, trade and other payables, lease liabilities and shareholders' current accounts approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair values of non-current lease liabilities credit balance of due to a related party (non-current portion) are estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such liabilities, are not materially different from their fair values.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimizing the exposure to financial markets.

The Company does not actively engage in trading of financial assets for speculative purpose.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally sundry financial assets, trade and other receivables and cash and cash equivalents.

The Company's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from trade and other receivables taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

At the reporting date, the Company's maximum exposure to credit risk from such receivables situated outside the UAE is as follows:

	2025	2024
	AED	AED
Saudi Arabia	48,205,460	13,139,338
Kuwait	34,686,562	9,864,778
Iraq	27,040,033	48,664,416
Italy	14,197,967	54,780,158
Jordan	13,038,369	5,284,407
Tunisia	9,488,878	--
Oman	8,165,691	4,961,903
Bahrain	7,221,553	10,121,605
Thailand	756,990	--
Australia	--	1,608,295
India	--	586,946
Morocco	--	340,700
Brazil	--	20,589

At the reporting date 51% of trade receivables were due from 3 customers (at 31 March 2024 - 61% due from 2 customers) including a related party.

Significant concentrations of credit risk by industry are as follows:

	2025	2024
Trading in pipes	54%	73%
Construction	38%	27%

The Company uses an allowance matrix to measure the expected credit losses of trade receivables, which comprise a number of balances. Loss rates are calculated using a 'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables from individual customers as at the reporting date.

At 31 March	Loss rate		Gross carrying amount		Loss allowance	
	2025	2024	2025	2024	2025	2024
	%	%	AED	AED	AED	AED
Not past due	0%	0%	120,593,898	99,120,987	--	--
1-90 days past due	0%	0%	15,778,705	11,080,440	--	--
91-180 days past due	0%	0%	10,571,594	4,728,615	--	--
181-365 days past due	0%	0%	13,306,662	--	--	--
Customers with good credit standing					--	--
Over 365 days past due	0%	0%	12,356,423	33,677,158	--	--
Other customers					--	--
Over 365 days past due	100%	100%	674,411	3,679,088	674,411	3,679,088
			173,281,693	152,286,288	674,411	3,679,088

Further, trade receivables aggregating to AED 14,197,967 (at 31 March 2024 AED 15,629,701) do not have exposure to credit risk since these are receivables from related party customers, and therefore, are not considered for computing expected credit losses.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company limits its liquidity risk by ensuring adequate bank facilities are available.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The table below summarises the maturities of the Company's undiscounted at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year		One to five years		Over five years		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	AED	AED	AED	AED	AED	AED	AED	AED
Borrowings (long-term and short- term)	212,413,165	--	58,245,340	--	--	--	270,658,505	--
Trade and other payables	87,659,682	68,608,803	--	--	--	--	87,659,682	68,608,803
Lease liabilities Due to a related a party	9,082,544	30,393,139	38,880,368	26,965,697	68,716,342	53,931,394	116,679,254	111,290,230
Shareholder's current account	24,905,247	--	--	--	--	--	24,905,247	--
	--	562,936,967	--	--	--	--	--	562,936,967

Market risk

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

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

The Company buys and sells goods and services in foreign currencies. Exposure is minimised where possible by denominating such transactions in US dollars to which the UAE Dirhams is pegged.



JINDAL SAW GULF L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed except for the following:

	2025 AED	2024 AED
Trade receivables		
- Bahraini dinar	5,129,790	10,103,941
- Saudi Riyal	43,239,847	12,708,543
Trade payables		
- Euro	894,804	1,707,949
- British pound sterling	--	155,268
- Saudi Riyal	242,820	136,701
- Japanese yen	--	20,617
Cash and bank balances		
- Bahraini dinar	207	815
- Euro	36,033	185,928
- Saudi Riyal	123,859	81,527

At the reporting date, if the above-mentioned currencies had been weaker or stronger against the Dirhams by 1%, profit for the year and equity would have been higher or lower by AED 496,674 (at 31 March 2024 AED 2,510,129).

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

Reasonably possible changes to interest rates at the reporting date are unlikely to have had a significant impact on profit or equity.

	2025 AED	2024 AED
35. CONTINGENT LIABILITIES AND COMMITMENTS		
Contingent liabilities		
Letters of guarantee	44,344	8,677,075
Banker's letter of credit	128,081,972	--
Undated security cheques	1,732,320	--



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
Capital commitments		
For acquisition, construction or enhancement of property, plant and equipment	<u>2,111,250</u>	<u>5,725,627</u>

36. CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the 'CT Law') to enact a Federal corporate tax ('CT') regime in the UAE. The CT Law is effective for the financial years beginning on or after 1 June 2023. Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply and accordingly, the CT Law is now considered to be substantively enacted.

The Company is a member of a tax group under UAE corporate tax law as governed by article 40 of the Federal Decree-Law No. 47 of 2022. Consequently, the tax group is regarded as a single taxable entity, and the Company submits a consolidated tax return for the group. In these standalone financial statements, the Company has recorded a current tax expense of AED 2,647,563, which is determined based on its group taxable income in compliance with International Financial Reporting Standards (IFRS). It should be noted that the overall tax liability of the tax group is adjusted with the aggregation of profits and losses from other group members.

For JINDAL SAW GULF L.L.C



AMIT KUMAR
DIRECTOR



SANDEEP PRAHLADRAI AGARWAL
DIRECTOR

