



INDEPENDENT AUDITOR'S REPORT

To the shareholder of **JINDAL SAW MIDDLE EAST FZE**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **JINDAL SAW MIDDLE EAST FZE** (the "Entity"), 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 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 Entity 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 Board (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 Entity 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.

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 Rules and Regulations framed pursuant to Emri Decree No.6 of 1987 issued in Fujairah in respect of Free zone, amended by Emiri Decree No.1 for the year 1992, 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.

continued...

INDEPENDENT AUDITOR'S REPORT

(continued)

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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.

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

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

continued...

INDEPENDENT AUDITOR'S REPORT

(continued)

- 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 Entity'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 Entity 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.

Report on Other Legal and Regulatory Requirements

Further, as required by the Rules and Regulations framed pursuant to Emri Decree No.6 of 1987 issued in Fujairah in respect of Free zone, amended by Emiri Decree No.1 for the year 1992, We confirm 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 Rules and Regulations framed pursuant to Emri Decree No.6 of 1987 issued in Fujairah in respect of Free zone, amended by Emiri Decree No.1 for the year 1992 and Memorandum and Articles of Association of the Entity.
- iii) The Entity has maintained proper books of account.
- iv) Note 10 to the financial statements reflects material related party transactions, and the terms under which these were conducted.

continued...

INDEPENDENT AUDITOR'S REPORT

(continued)

- v) Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Entity has contravened provisions of the Rules and Regulations framed pursuant to Emri Decree No.6 of 1987 issued in Fujairah in respect of Free zone, amended by Emiri Decree No.1 for the year 1992 ,during the financial year ended 31 March 2025 any of the 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 Entity.



PKF

Abu Dhabi

United Arab Emirates

28 April 2025

JINDAL SAW MIDDLE EAST FZE

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 AED	2024 AED
ASSETS			
Non-current assets			
Property plant and equipment	6	--	162,156,278
Investment	7	147,000	147,000
Other financial assets	8	14,908,250	14,908,250
		<u>15,055,250</u>	<u>177,211,528</u>
Current assets			
Security deposits	9	5,000	5,000
Other current assets	10	23,356	57,006
Dur from a related party	11	24,905,247	562,936,967
Other financial assets	7	--	259,226
Cash and cash equivalents	12	130,834	326,330
		<u>25,064,437</u>	<u>563,584,529</u>
Total assets		<u>40,119,687</u>	<u>740,796,057</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	66,000,000	66,000,000
Accumulated losses		(46,175,141)	(43,922,122)
Equity		<u>19,824,859</u>	<u>22,077,878</u>
Non-current liabilities			
Long-term borrowings	14	--	86,830,152
Due to related parties	10	--	269,151,992
		<u>--</u>	<u>355,982,144</u>
Current liabilities			
Short-term borrowings	14	20,198,750	320,617,639
Accrued expenses	15	96,078	9,682,519
Shareholders' current account	16	--	32,435,877
		<u>20,294,828</u>	<u>362,736,035</u>
Total liabilities		<u>20,294,828</u>	<u>718,718,179</u>
Total equity and liabilities		<u>40,119,687</u>	<u>740,796,057</u>

continued...



JINDAL SAW MIDDLE EAST FZE

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

(Continued)

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

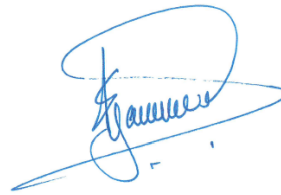
The report of the independent auditor is set forth on pages 1 to 4.

Approved and authorised for issue by the shareholder and signed on its behalf by the directors
Mr. Amit Kumar and Mr. Sandeep Prahladrai Agarwal on

For **JINDAL SAW MIDDLE EAST FZE**



AMIT KUMAR
DIRECTOR



SANDEEP PRAHLADRAI AGARWAL
DIRECTOR



JINDAL SAW MIDDLE EAST FZE

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

	Notes	2025 AED	2024 AED
Revenue	18	10,416,667	25,000,000
Other income	19	18,755,226	21,921,324
Depreciation of plant property and equipment	6	(7,365,429)	(17,579,833)
Bank charges recharged by a related party		(1,996,886)	(1,907,688)
Loss on disposal of property plant and equipment (net)		(633,996)	--
Other expenses	20	(199,560)	(267,210)
Finance costs	21	(21,229,041)	(29,643,483)
LOSS FOR THE YEAR		(2,253,019)	(2,476,890)
Other comprehensive income for the year		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(2,253,019)	(2,476,890)

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

The report of the independent auditor is set forth on pages 1 to 4.



JINDAL SAW MIDDLE EAST FZE

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

		Share capital AED	Accumulated losses AED	Total AED
Balance at 1 April 2023		66,000,000	(41,445,232)	24,554,768
Comprehensive income				
- Loss	(a)	--	(2,476,890)	(2,476,890)
- Other comprehensive income	(b)	--	--	--
Total comprehensive income for the year	(a+b)	--	(2,476,890)	(2,476,890)
Balance at 31 March 2024		66,000,000	(43,922,122)	22,077,878
Comprehensive income				
- Loss	(c)	--	(2,253,019)	(2,253,019)
- Other comprehensive income	(d)	--	--	--
Total comprehensive income for the year	(c+d)	--	(2,253,019)	(2,253,019)
Balance at 31 March 2025		66,000,000	(46,175,141)	19,824,859

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

The report of the independent auditor is set forth on pages 1 to 4.



JINDAL SAW MIDDLE EAST FZE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
Cash flows from operating activities		
Loss for the year	(2,253,019)	(2,476,890)
Adjustments for:		
Depreciation of property, plant and equipment	7,365,429	17,579,833
Loss on disposals of property, plant and equipment	633,996	--
Lease rental income	(10,416,667)	(25,000,000)
Expenses recovered from a related party	(18,755,226)	(21,918,500)
Expenses recharged by a related party	120,000	120,000
Finance costs	21,229,041	29,643,483
	<u>(2,076,446)</u>	<u>(2,052,074)</u>
Changes in:		
• Other current assets	33,650	(9,206)
• Accrued expenses	(2,317,330)	1,578,403
Cash (used in) / generated from operating activities	<u>(4,360,126)</u>	<u>(482,877)</u>
Cash flows from investing activities		
Increase/decrease in amount due from related parties	201,333,985	(63,086,701)
Decrease in financial assets	259,226	1,674,620
Net cash generated from/(used) investing activities	<u>201,593,211</u>	<u>(61,412,081)</u>
Cash flows from financing activities		
(Repayments of) /proceeds from bank overdrafts (net)	(6,119,179)	2,902,675
(Repayments of) /proceeds from trust receipts (net)	(128,738,328)	122,565,899
Repayments of term loans (net)	(28,564,172)	(27,248,079)
Repayments of other short-term borrowings (net)	(5,508,750)	(7,345,000)
Interest paid	(28,498,152)	(28,863,280)
Net cash (used)/from in financing activities	<u>(197,428,581)</u>	<u>62,012,215</u>
Net (decrease) / increase in cash and cash equivalents	(195,496)	117,257
Cash and cash equivalents at beginning of year	326,330	209,073
Cash and cash equivalents at end of year (note 12)	<u>130,834</u>	<u>326,330</u>

continued...



JINDAL SAW MIDDLE EAST FZE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

(Continued)

	2025 AED	2024 AED
Non-cash investing and activities includes:		
Property plant and equipment transferred to shareholder's current account	154,156,855	--
Non-cash financing activities includes:		
Borrowings (long-term and short-term) transferred to shareholder's current account	218,318,612	--

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

The report of the independent auditor is set forth on pages 1 to 4.



JINDAL SAW MIDDLE EAST FZE

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

1. LEGAL STATUS AND BUSINESS ACTIVITY

- a) **JINDAL SAW MIDDLE EAST FZE** (the "Entity") was incorporated on 19 October 2009 in the Fujairah Free Zone, Fujairah, as a Free Zone Establishment with Limited Liability under commercial license no. 2641, issued by Government of Fujairah, Fujairah – United Arab Emirates under provisions of the Rules and Regulations framed pursuant to Emri Decree No.6 of 1987 issued in Fujairah in respect of Free zone, amended by Emiri Decree No.1 for the year 1992. The registered office is PO Box 50534, Fujairah Free Zone, Fujairah, UAE.
- b) The Entity's business activity as per the commercial license is general trading, however the Entity acts as a holding company.
- c) The shareholder and the parent company of the Entity is Jindal Saw Holdings FZE, incorporated in the Fujairah Free Zone, Fujairah – United Arab Emirates, holding 100% of the share capital. The ultimate parent company is 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

- i) 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 Rules and Regulations framed pursuant to Emri Decree No.6 of 1987 issued in Fujairah in respect of Free zone, amended by Emiri Decree No.1 for the year 1992.

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.

c) Going Concern

The financial statements have been prepared on a going-concern basis.



JINDAL SAW MIDDLE EAST FZE

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

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

The Entity incurred a loss of AED 2,253,019 during the year ended 31 March 2025 and at that date its accumulated losses aggregated to AED 46,175,141 as at 31 March 2025 (at 31 March 2024 – AED 43,922,122).

However, the shareholder has agreed to continue with the operations of the Entity and has agreed to provide continuing financial support to enable the Entity to discharge its liabilities as and when they fall due. Accordingly, this interim financial information has been prepared on a going-concern basis.

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 Company'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)



JINDAL SAW MIDDLE EAST FZE

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

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold to an associate or a joint venture (The IASB postponed the effective date of this amendment indefinitely - Early adoption is permitted)
- Amendments to the SASB (Sustainability Accounting Standards Board) standards to enhance their international applicability (1 January 2025)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7) (1 January 2026)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 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 Entity’s functional currency.

3. **MATERIAL ACCOUNTING POLICIES**

The material 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 derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Moulds	Based on the quantity of pipes manufactured which ranges from 1,000 units to 6,000 units depending on the diameter of the pipes.
Other equipment	20 years

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 Entity and such cost can be measured reliably. Such a 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 Entity recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.



JINDAL SAW MIDDLE EAST FZE

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

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.

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

b) **Impairment of tangible assets**

At each reporting date, the management reviews the carrying amounts of its tangible 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 recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized 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

c) **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 Entity 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 Entity cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Entity 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 Entity has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

d) **Income and deferred tax**

Tax expense for the year comprises of current income tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the federal tax authorities on the taxable profits after considering tax allowances and exemptions and applying the applicable tax rates and laws. Deferred tax is recognised on the temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for on-deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.



JINDAL SAW MIDDLE EAST FZE

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

Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences.

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

e) **Revenue recognition**

The Entity's business activity as per the commercial license is general trading, however the Entity acts as a holding entity.

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 Entity expects to be entitled in exchange for those goods or services.

The Entity 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.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Entity 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 Entity will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Entity expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Entity satisfies a performance obligation at a point in time or over time.



JINDAL SAW MIDDLE EAST FZE

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

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

The Entity 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.

Rental income

Rental income from operating leases is recognised, net of discounts, in accordance with the terms of lease contracts over the lease term on a straight-line basis, except when an alternative basis is more representative of the pattern of benefits to be derived from the leased assets.

f) **Leases**

As a lessee

The Entity leases one office premises. Rental contracts are typically made for fixed periods up to 1 year. Lease agreement contains a wide range of different terms and conditions. The lease arrangements do not impose any covenants.

Short-term leases and leases of low-value assets

The Entity 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.



JINDAL SAW MIDDLE EAST FZE

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

As a lessor

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

g) Cash and cash equivalents

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

h) 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.

i) Borrowing costs

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

j) Provisions

A provision is recognized when the Entity 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.



JINDAL SAW MIDDLE EAST FZE

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

k) **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.

l) **Current versus non-current classification**

The Entity 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.

The Entity classifies all other liabilities as non-current.

m) **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 Entity's business model for managing them.



JINDAL SAW MIDDLE EAST FZE

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

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 Entity'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 Entity determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Entity 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 Entity 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 Entity has transferred substantially all the risks and rewards of the asset, or
 - (b) the Entity has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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 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.

On initial recognition of an equity investment that is not held-for-trading, the Entity may irrevocably elect to subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.



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

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 security deposits, due from a related party, other financial assets, and cash and cash equivalents.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise of borrowings, due to related parties and accrued expenses.

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 Entity 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.



JINDAL SAW MIDDLE EAST FZE

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

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 Entity 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, due from a related party, and other current 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.

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 Entity.

n) **Fair value measurement**

The Entity also 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.

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



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

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.

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 Entity's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment, 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 Entity 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.

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.



JINDAL SAW MIDDLE EAST FZE

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

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 Entity 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 (n).

Impairment

Assessment of net recoverable amounts of property, plant, and equipment 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 (m).

Going concern assessment

As at the reporting date, the Entity has accumulated losses of AED 46,175,141 (at 31 March 2024 – AED 43,922,122), which is more than 50% of its share capital. Notwithstanding these facts, the financial statements of the Entity have been prepared on a going-concern basis as the management of the Entity believes that the future operations of the Entity will generate sufficient profits and cashflows.



JINDAL SAW MIDDLE EAST FZE

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

6. PROPERTY, PLANT AND EQUIPMENT

	Moulds AED	Other equipment AED	Total AED
Cost			
At 1 April 2023	10,601,475	350,171,689	360,773,164
At 31 March 2024	10,601,475	350,171,689	360,773,164
Transfers	(9,339,400)	(350,171,689)	(359,511,089)
Disposals	(1,262,075)		(1,262,075)
At 31 March 2025	--	--	--
Accumulated depreciation			
At 1 April 2023	6,294,205	174,742,848	181,037,053
Depreciation	214,471	17,365,362	17,579,833
At 31 March 2024	6,508,676	192,108,210	198,616,886
Depreciation	86,250	7,279,179	7,365,429
Adjustments relating to transfers	(5,966,845)	(199,387,389)	(205,354,234)
Adjustments relating to disposals	(628,081)	--	(628,081)
At 31 March 2025	--	--	--
Carrying amount			
At 1 April 2023	4,307,270	175,428,841	179,736,111
At 31 March 2024	4,092,799	158,063,479	162,156,278
At 31 March 2025	--	--	--

	2025 AED	2024 AED
7. INVESTMENT		
Interest in Jindal Saw Gulf L.L.C	147,000	147,000

Note:

The Entity holds a 49% shareholding in Jindal Saw Gulf L.L.C ("JSGL") as at the reporting date. Although it holds 49% shareholding, it does not have significant influence and power to participate in the financial and operating policy decision of the JSGL. Hence this investment is recorded at cost.



JINDAL SAW MIDDLE EAST FZE

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

	2025 AED	2024 AED
8. OTHER FINANCIAL ASSETS		
Margin deposits	<u>14,908,250</u>	<u>15,167,476</u>
Disclosed under:		
Non-current financial assets [note (i)]	<u>14,908,250</u>	14,908,250
Other financial assets [note (ii)]	<u>--</u>	259,226
	<u><u>14,908,250</u></u>	<u><u>15,167,476</u></u>

(i) Include AED 14,908,250 (at 31 March 2024 – AED 14,908,250) kept as debt service reserve against long-term borrowing from Abu Dhabi Commercial Bank (ADCB). The maturity of these margin deposits is linked to term loans (note 14)

(ii) Comprise margin deposits relating to tenders' bond of AED nil (at 31 March 2024 - AED 259,226) have been transferred to JSGL during the year.

9. SECURITY DEPOSITS

Comprise deposit of AED 5,000 (at 31 March 2024 – AED 5,000) kept with Fujairah Free Zone Authority for license issuance purposes.

10. OTHER CURRENT ASSETS

Prepayments	23,356	22,541
Advances for goods and services	--	2,445
VAT receivables (net)	--	32,020
	<u>23,356</u>	<u>57,006</u>

11. RELATED PARTIES

The Entity 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 entities under common ownership and/or common management control, subsidiaries, ultimate parent company, parent company / shareholder, directors and relatives thereof.



JINDAL SAW MIDDLE EAST FZE

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

At the reporting date significant balances with related parties were as follows:

	Parent company AED	Subsidiary AED	Entities under common ownership/ control AED	Total 2025 AED	Total 2024 AED
Investment	--	--	147,000	147,000	
	--	--	147,000		147,000
Due from a related party	--	--	24,905,247	24,905,247	
	--	--	562,936,967		562,936,967
Shareholders' Current account	--	--	--	--	
	32,435,877	--	--		--
Due to related parties	--	--	--	--	
	--	--	269,151,992		269,151,992
Accrued expenses	--	--	--	--	
	2,323,580	--	--		2,323,580

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

All the balances are expected to be settled on demand except for accrued expenses.

Significant transactions with related parties carried out at the agreed rate during the year were as follows:

	Ultimate parent company AED	Subsidiary AED	Entities under common ownership/ control AED	Total 2025 AED	Total 2024 AED
Revenue	--	--	10,416,667	10,416,667	
	--	--	25,000,000		25,000,000
Expenses recovered from a related party	--	--	18,755,226	18,755,226	
	--	--	21,918,500		21,918,500



JINDAL SAW MIDDLE EAST FZE

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

	Ultimate parent company	Subsidiary	Entities under common ownership/ control	Total 2025	Total 2024
Expenses recharged by a related party	--	--	120,000	120,000	
	--	--	120,000		120,000
Corporate guarantee charges	1,548,179	--	--	1,548,179	
	2,323,580	--	--		2,323,580
Property plant and equipment transferred to due from a related party	--	--	154,156,855	154,156,855	
	--	--	--		--
Borrowings (long- term and short- term) transferred to due from a related party	--	--	218,318,612	218,318,612	
	--	--	--		--

The Entity also provides funds to/receives funds from related parties as working capital facilities free of interest.

Administrative and staff-related services are availed from a related party as per agreed rates.

	2025 AED	2024 AED
12. CASH AND CASH EQUIVALENTS		
Bank balances in current account	130,834	326,330



JINDAL SAW MIDDLE EAST FZE

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

	2025 AED	2024 AED
13. SHARE CAPITAL		
Issued and paid up		
1,000 shares of AED 66,000 each	<u>66,000,000</u>	<u>66,000,000</u>

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

	No. of shares	AED
Name		
M/s Jindal Saw Holding FZE	<u>1,000</u>	<u>66,000,000</u>
14. BORROWINGS		
i) LONG-TERM BORROWINGS		
Term loans	--	113,371,202
Less: current portion	--	(26,541,050)
	<u>--</u>	<u>86,830,152</u>
ii) SHORT-TERM BORROWINGS		
Bank overdrafts	--	6,119,178
Trust receipts	--	262,249,911
Other short-term borrowings	20,198,750	25,707,500
Current portion of term loans	--	26,541,050
	<u>20,198,750</u>	<u>320,617,639</u>

Note : During the period, the company made net repayments totaling AED 128,738,328 on trust receipts, AED 28,564,172 on term loans, AED 5,508,750 on short-term borrowings, and AED 6,119,179 for bank overdrafts. In addition, loan balances totaling AED 218,318,612 were transferred to shareholder's current account.



JINDAL SAW MIDDLE EAST FZE

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

An analysis by the bank of outstanding amounts including long-term borrowings is as follows:

	2025	2024
	AED	AED
Abu Dhabi Commercial Bank PJSC	--	172,082,947
Emirates NBD Bank PJSC	--	84,665,980
First Abu Dhabi Bank PJSC	--	74,235,475
National Bank of Fujairah P.S.C.	--	30,326,817
Deutsche Bank AG Singapore	20,198,750	25,707,500
Arab Banking Corporation	--	20,429,072
	20,198,750	407,447,791

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

	2025	2024
	AED	AED
Overdrafts	--	6,119,179
0 – 1 month	--	13,785,406
1 – 3 months	20,198,750	182,001,459
3 months – 1 year	--	118,711,595
Presented as current liabilities	20,198,750	320,617,639
1 year – 5 years	--	86,830,152
Total	20,198,750	407,447,791

15. ACCRUED EXPENSES

Accrued interest	83,578	7,358,939
Accrued corporate guarantee charges	--	2,323,580
Other accrued expenses	12,500	--
	96,078	9,682,519

The entire sundry payables are due for payment within one year from the reporting date.



JINDAL SAW MIDDLE EAST FZE

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

16. SHAREHOLDER'S CURRENT ACCOUNT

Shareholder's current account balance aggregating to AED Nil (at 31 March 2024 – AED 32,435,877) is unsecured, interest-free and repayable on demand (note 11).

17. 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 shareholders 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 position. Debt comprises total amounts owed by the Company, net of cash and cash equivalents.

The Company is not exposed to any externally imposed capital requirements.

Funds generated from internal accruals are retained in the business, to limit bank borrowings within covenants and according to the business requirements and maintain capital at desired levels.

18. REVENUE

The Entity generates revenue from the transfer of services over 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 Entity's revenue and cash flows.

	2025 AED	2024 AED
Primary Geographical segments		
- Within UAE	10,416,667	25,000,000
Major service lines		
- Rental income	10,416,667	25,000,000
Timing of revenue recognition		
- Over time	10,416,667	25,000,000



JINDAL SAW MIDDLE EAST FZE

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

	2025 AED	2024 AED
19. OTHER INCOME		
Expenses recovered from a related party	18,755,226	21,918,500
Exchange gain (net)	--	2,824
	18,755,226	21,921,324
20. OTHER EXPENSES		
Expenses recharged by a related party	120,000	120,000
Legal and professional expenses	37,479	124,592
Short-term lease charges	20,205	20,041
Exchange loss (net)	11,269	--
Other expenses	10,606	2,577
	199,560	267,210
21. FINANCE COSTS		
Relating to borrowings	19,680,862	27,319,903
Relating to corporate guarantee charges to a related party	1,548,179	2,323,580
	21,229,041	29,643,483
22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT		
Financial instruments		
<i>Classification and fair values</i>		
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 Note 24
Financial assets		
Security deposits	5,000	5,000
Amount due from a related party	24,905,247	562,936,967
Other financial assets	14,908,250	15,167,476
Cash and cash equivalents	130,834	326,330
	39,949,331	578,435,773



JINDAL SAW MIDDLE EAST FZE

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

	2025 AED	2024 AED
Financial liabilities		
Borrowings	20,198,750	407,447,791
Accrued expenses	96,078	9,682,519
Due to related parties	--	269,151,992
Shareholder's current account	--	32,435,877
	<u>20,294,828</u>	<u>718,718,179</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, deposits, sundry financial assets, short-term borrowings, accruals and other payables, due to related parties and shareholder's current account approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to determine the fair values of other financial assets/liabilities:

- Fair values of non-current assets other financial assets are evaluated by the Entity using valuation techniques including the discounted cash flow (DCF) model. The inputs to this model are taken from observable markets where possible, but where this is not feasible, inputs are based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customers and credit risks characteristics. Based on such evaluation, provisions are made for the expected credit losses of these receivables. As at the reporting date, the carrying amounts of such receivables, net of provisions, are not materially different from their fair values.
- Fair values of non-current borrowings 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 Entity'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 Entity's continuing profitability. The Entity's risk management focusses on actively securing short to medium term cash flows by minimizing the exposure to financial markets.

The Entity 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 and fair value interest rate risks).

The management of the Entity 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 Entity to concentrations of credit risk comprise principally security deposits, other financial assets and cash and cash equivalents.

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

Current and non-current financial assets represent investments in margin deposits which are placed with high credit quality financial institutions.

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

Liquidity risk

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



JINDAL SAW MIDDLE EAST FZE

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

The Entity'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 Entity's reputation. The Entity manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Entity limits its liquidity risk by ensuring adequate bank facilities are available.

The table below summarises the maturities of the Entity'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	20,198,750	320,617,639	--	86,830,152	--	--	20,198,750	407,447,791
Accrued expenses	96,078	9,682,519	--	--	--	--	96,078	9,682,519
Due to related parties (Note 11)	--	269,151,992	--	--	--	--	--	269,151,992
Shareholder's current account	--	32,435,877	--	--	--	--	--	32,435,877

Market risk

The market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Entity'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.

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.

Interest rate risk

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



JINDAL SAW MIDDLE EAST FZE

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

The bank overdrafts and borrowings are subject to floating interest rates at levels generally obtained in the UAE and are therefore exposed to cash flow interest rate risk.

At the reporting date, if interest rates had been 1% higher or lower, interest expense on variable rate debt would have been AED 201,988 higher or lower (previous year AED 4,074,478) resulting in equity being higher or lower by AED 201,988 (previous year AED 4,074,478).

	2025 AED	2024 AED
23. CONTINGENT LIABILITIES AND COMMITMENTS		
Bankers' letters of guarantee (note 14)	--	54,342,867
Unutilised letters of credit (note 14)	--	3,437,952

Note: During the year entire borrowings have been transferred to shareholder's current account

24. 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 Entity 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 one of the tax group members, Jindal Saw Gulf LLC, submits a consolidated tax return for the group. No current tax expense has been recognized, as the Entity has reported a loss for the year and the Entity's losses are offset against the profits of other group members at the group level, thereby reducing the overall tax liability of the tax group in accordance with the provisions of the UAE Corporate Tax Law.

For JINDAL SAW MIDDLE EAST FZE



AMIT KUMAR
DIRECTOR



SANDEEP PRAHLADRAI AGARWAL
DIRECTOR

