

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of **JINDAL SAW HOLDINGS FZE**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **JINDAL SAW HOLDINGS 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 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 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 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.

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(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 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 accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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(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 Articles of Incorporation 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.

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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
26 April 2025

JINDAL SAW HOLDINGS FZE

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

| | Notes | 2025 AED | 2024 AED |
|---|-------|---------------------------|---------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investment in subsidiaries | 6 | 66,300,000 | 98,735,877 |
| Non-current financial assets | 7 | 127,136,976 | 94,701,099 |
| | | <u>193,436,976</u> | <u>193,436,976</u> |
| Current assets | | | |
| Security deposits | 8 | 74,000 | 74,000 |
| Other current assets | 9 | 110,671 | 140,063 |
| Due from related parties | 10 | -- | 30,121,510 |
| Cash and cash equivalents | 11 | 316,687 | 976,497 |
| | | <u>501,358</u> | <u>31,312,070</u> |
| Total assets | | <u>193,938,334</u> | <u>224,749,046</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 12 | 124,900,000 | 124,900,000 |
| Accumulated losses | | (69,136,392) | (68,441,021) |
| Equity | | <u>55,763,608</u> | <u>56,458,979</u> |
| Non-current liabilities | | | |
| Loans from related parties | 13 | 58,011,696 | 84,100,250 |
| Convertible preference shares | 14 | 79,680,000 | 79,680,000 |
| Provision for staff end-of-service benefits | 15 | 11,507 | -- |
| | | <u>137,703,203</u> | <u>163,780,250</u> |
| Current liabilities | | | |
| Accruals and other payables | 16 | 12,500 | 47,177 |
| Other current liabilities | 17 | 23,060 | -- |
| Due to related parties | 10 | 435,963 | 4,462,640 |
| | | <u>471,523</u> | <u>4,509,817</u> |
| Total liabilities | | <u>138,174,726</u> | <u>168,290,067</u> |
| Total equity and liabilities | | <u>193,938,334</u> | <u>224,749,046</u> |

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JINDAL SAW HOLDINGS FZE

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

(Continued)

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

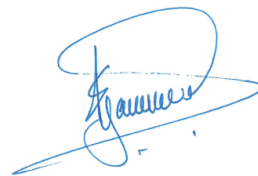
The report of the independent auditor is set forth on pages 1 to 4.

Approved and authorised for issue by the shareholder and signed on its behalf by directors Mr. Amit Kumar and Mr. Sandeep Prahladrai Agarwal on 26 April 2025.

For JINDAL SAW HOLDINGS FZE



AMIT KUMAR
DIRECTOR



SANDEEP PRAHLADRAI AGARWAL
DIRECTOR



JINDAL SAW HOLDINGS FZE

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

| | Notes | 2025 AED | 2024 AED |
|--|-------|------------------|------------------|
| Gain on sale of investment in a subsidiary | 19 | 17,996 | -- |
| Expenses recovered from a related party (net) | | 255,589 | 709,217 |
| Credit balances written back | | 18,889 | 5,401,494 |
| Legal and professional expenses | | (525,047) | (432,287) |
| Staff costs | 20 | (375,589) | (829,217) |
| Foreign exchange loss (net) | | (387,885) | (179,776) |
| Other expenses | 21 | (76,529) | (99,030) |
| Interest income | 22 | 503,413 | 1,084,717 |
| Finance costs | 23 | (126,208) | (51,607) |
| (LOSS) / PROFIT FOR THE YEAR | | (695,371) | 5,603,511 |
| Other comprehensive income for the year | | -- | -- |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | (695,371) | 5,603,511 |

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 HOLDINGS 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 | | 124,900,000 | (74,044,532) | 50,855,468 |
| Comprehensive income | | | | |
| - Profit | (a) | -- | 5,603,511 | 5,603,511 |
| - Other comprehensive income | (b) | | | |
| Total comprehensive income for the year | (a+b) | -- | 5,603,511 | 5,603,511 |
| Balance at 31 March 2024 | | 124,900,000 | (68,441,021) | 56,458,979 |
| Comprehensive income | | | | |
| - Loss | (c) | -- | (695,371) | (695,371) |
| - Other comprehensive income | (d) | | | |
| Total comprehensive income for the year | (c+d) | -- | (695,371) | (695,371) |
| Balance at 31 March 2025 | | 124,900,000 | (69,136,392) | 55,763,608 |

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 HOLDINGS FZE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

| | 2025 AED | 2024 AED |
|---|---------------------|--------------------|
| Cash flows from operating activities | | |
| (Loss) / profit for the year | (695,371) | 5,603,511 |
| Adjustments for: | | |
| Gain on sale of investment in a subsidiary | (17,996) | -- |
| Interest income | (503,413) | (1,084,717) |
| Expenses recovered from a related party (net) | (255,589) | (709,217) |
| Credit balances written back | (18,889) | (5,401,494) |
| Finance costs | 126,208 | 51,607 |
| Related party balance written-off | -- | 32,781 |
| Provision for staff end-of-service benefits | 11,507 | 172,414 |
| | <u>(1,353,543)</u> | <u>(1,335,115)</u> |
| Changes in: | | |
| • Security deposits | -- | 112,750 |
| • Other current assets | 29,392 | (14,635) |
| • Accruals and other payables | (15,788) | 5,052,361 |
| • Other current liabilities | 23,060 | (124,545) |
| Staff end-of-service benefits paid | -- | (1,087,774) |
| Cash (used in) / generated from operations | <u>(1,316,879)</u> | <u>2,603,042</u> |
| Cash flows from investing activities | | |
| Receipts from related parties | 30,377,099 | 2,467,060 |
| Proceeds from disposals of investments | 17,996 | -- |
| Interest received | 503,413 | 1,084,717 |
| Net cash generated from investing activities | <u>30,898,508</u> | <u>3,551,777</u> |
| Cash flows from financing activities | | |
| Repayments of loans from related parties | (26,088,554) | -- |
| Interest paid | (126,208) | (51,607) |
| Payments to related parties | (4,026,677) | (5,352,744) |
| Net cash used in financing activities | <u>(30,241,439)</u> | <u>(5,404,351)</u> |
| Net (decrease) / increase in cash and cash equivalents | (659,810) | 750,468 |
| Cash and cash equivalents at beginning of period | 976,497 | 226,029 |
| Cash and cash equivalents at end of period (note 11) | 316,687 | 976,497 |

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 HOLDINGS FZE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. LEGAL STATUS AND BUSINESS ACTIVITY

- a) **JINDAL SAW HOLDINGS FZE** ("The Entity") was incorporated on 19 October 2009 in the Fujairah Free Zone, Fujairah, under investment license no. 2640 as a Free Zone Establishment with Limited Liability and general trading license no. 2640A issued by the Fujairah, a Free Zone Authority, 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 50556, Fujairah Free Zone, Fujairah, UAE.
- b) The Entity is licensed to invest in businesses and general trading.
- c) The shareholder of the Entity 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, holding 100% of the share capital, 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 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.

These financial statements are the separate financial statements of the Entity presented only for the purpose of reporting to the shareholder. The consolidated financial statements of the Entity and its subsidiaries which are required to be presented in accordance with International Financial Reporting Standard 10: Consolidated Financial Statements, are presented separately.

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**

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 loss of AED 695,371 for the year ended 31 March 2025 and at that date, the Entity's losses aggregated to AED 69,136,392 (at 31 March 2024 – AED 68,441,021).

These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

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, these financial statements have 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 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.



JINDAL SAW HOLDINGS 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 April 2025)
- Amendments to IAS 21 – Lack of Exchangeability (1 April 2025)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7) (1 April 2026)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (1 April 2026)
- IFRS 18 Presentation and Disclosures in Financial Statements (1 April 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (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 significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Investments in subsidiaries**

Subsidiaries are companies over which the Entity exercises control. Control is achieved when the Entity is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The investment in subsidiaries is accounted for at cost less impairment losses, if any. Consolidated financial statements of the parent and its subsidiary are prepared separately.

b) **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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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.

c) **Staff benefits**

The Entity 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 the employees' last drawn 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 staff annual leave salary for eligible employees as per the policy of the Entity. Accrual relating to staff annual leave salaries is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

d) **Interest income**

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.



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

e) **Leases**

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.

f) **Cash and cash equivalents**

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

g) **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.

h) **Borrowing costs**

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

i) **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 HOLDINGS FZE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

j) **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.

k) **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.

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.



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

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. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Entity commits to purchase or sell the asset.

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 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, 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.



JINDAL SAW HOLDINGS FZE

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

All other financial assets are subsequently measured at fair value.

Interest income, 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 non-current financial assets, security deposits, amounts due from related parties, 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 non-current financial liabilities, accruals and other payables, and due to related parties.

Impairment of financial assets

The Entity recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. Expected credit losses 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.

Loss allowances are measured on basis of 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Entity 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 Entity's historical experience and informed credit assessment and including forward looking information.

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

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

The borrower is unlikely to pay its credit obligations to the Entity in full, without recourse by the Entity 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 Entity is exposed to credit risk.

At each reporting date, the Entity 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 Entity.

l) Fair value measurement

The Entity 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 Entity 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 Entity's business model for managing them.

Impairment

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

INVESTMENTS IN SUBSIDIARIES

The Entity has 100% control over Jindal Saw Gulf L.L.C. even though it holds 51% of its share capital. There is no history of other shareholder to exercise its vote.

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:



JINDAL SAW HOLDINGS 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 (l).

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 (k).

Staff end-of-service benefits

The Entity computes the provision for the liability to staff end-of-service benefits stated at AED 11,507 (at 31 March 2024 - AED nil), 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.

Going Concern assessment

The Entity incurred loss of AED 695,371 for the year ended 31 December 2024 and at that date, the Entity's losses aggregated to AED 69,136,392 (at 31 March 2024 – AED 68,441,021). These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern. 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, these financial statements have been prepared on a going-concern basis.

| | 2025 AED | 2024 AED |
|--|-------------------|-------------------|
| 6. INVESTMENT IN SUBSIDIARIES | | |
| Jindal Saw Middle East FZE | | |
| - Interest in equity share capital at cost | 66,000,000 | 66,000,000 |
| - Additional investments (note below) | -- | 32,435,877 |
| Total (A) | <u>66,300,000</u> | <u>98,435,877</u> |



JINDAL SAW HOLDINGS FZE

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

Note:

Additional investments are in the nature of equity to Jindal Saw Middle East FZE. It does not carry any interest and is for the term of the subsidiary.

On 1 December 2024, an agreement was executed to transfer additional investments in M/s. Jindal Saw Middle East FZE, Fujairah Free Zone, Fujairah - U.A.E. to M/s. Jindal Saw Gulf L.L.C., Abu Dhabi - U.A.E in the form of long-term loan without interest.

A reconciliation of the movements in the investment in Jindal Saw Middle East is as follows:

| | 2025 AED | 2024 AED |
|---|---------------------|-------------------|
| Opening balance of investment | 98,435,877 | 98,435,877 |
| Additional investment transferred during the year to Jindal Saw Gulf L.L.C | <u>(32,435,877)</u> | -- |
| Closing balance of investment | <u>66,300,000</u> | <u>98,435,877</u> |
| Greenray Holdings Limited | | |
| Interest in equity share capital at cost | -- | 34,534,247 |
| Less: provision for impairment | -- | (34,534,247) |
| Total (B) | <u>--</u> | <u>--</u> |

Note:

On 7 May 2024, pursuant to a Board Resolution, an agreement was executed to sell a 49% investment in M/s. Greenray Holdings Limited, Leicestershire - United Kingdom to a third party, Naveen Trading FZ LLC UAE. The original Share Purchase Agreement, dated 18 September 2024, was subsequently amended on 4 October 2024 and transfer of shares was completed within two days from the amended agreement date.

| | 2025 AED | 2024 AED |
|--|----------------|----------------|
| Jindal Saw Gulf L.L.C. | | |
| - Interest in equity share capital at cost | 153,000 | 153,000 |
| - Additional investments | 147,000 | 147,000 |
| Total (C) | <u>300,000</u> | <u>300,000</u> |

Note:

Additional investments are in the nature of equity to Jindal Saw Gulf L.L.C. It does not carry any interest and is for the term of the subsidiary.



JINDAL SAW HOLDINGS FZE

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

| | 2025 AED | 2024 AED |
|---|-------------------|-------------|
| Total investment in subsidiaries (A+B+C) | 66,300,000 | 98,735,877 |

The nature of investments in subsidiaries held by the Entity are as follows:

| Name of subsidiary | Principal Activities | Country of incorporation | Registered proportion (%) of ownership interest | |
|--|---|--------------------------|---|------|
| | | | 2025 | 2024 |
| M/s. Jindal Saw Middle East FZE, Fujairah Free Zone, Fujairah - U.A.E. | General Trading and acting as holding Entity | UAE | 100 | 100 |
| M/s. Green ray Holdings Limited, Leicestershire - United Kingdom | Distribution of ductile Pipes, fittings, water works valves, pipe joints and pipe repair products | UK | -- | 49 |

| Name of subsidiary | Principal Activities | Country of incorporation | Registered proportion (%) of ownership interest | |
|--|---|--------------------------|---|------|
| | | | 2025 | 2024 |
| M/s. Jindal Saw Gulf (L.L.C.), Abu Dhabi - U.A.E. (note below) | Manufacturing all type of steel plants and related accessories and pipelines and metal coating and non-metallic coating | UAE | 51 | 51 |

Note:

The Entity holds 51% equity interest and it has power to govern the investee since remaining 49% shares are held by a shareholder for and on behalf of the Entity and thus it is considered as having 100% control with the management who control both shareholder and Entity.



JINDAL SAW HOLDINGS FZE

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

| | 2025 AED | 2024 AED |
|--|--------------------|-------------------|
| 7. NON-CURRENT FINANCIAL ASSETS | | |
| Opening balance of long-term loan | 94,701,099 | 94,701,099 |
| Additions during the year | 32,435,877 | -- |
| | <u>127,136,976</u> | <u>94,701,099</u> |

Note:

During the year, the long-term loan of AED 94,701,099 and additional investments of AED 32,435,877 in M/s Jindal Saw Middle East FZE have been transferred to M/s. Jindal Saw Gulf LLC. Above loan does not carry interest free. On 1 December 2024, an agreement was executed to transfer additional investments in M/s. Jindal Saw Middle East FZE, Fujairah Free Zone, Fujairah - U.A.E. to M/s. Jindal Saw Gulf (L.L.C.), Abu Dhabi - U.A.E in the form of long-term loan without interest.

8. SECURITY DEPOSITS

Comprise security deposits of AED 74,000 (at 31 March 2024 – AED 74,000), kept with Fujairah Free Zone Authority, for issuance of staff visas and license.

| | 2025 AED | 2024 AED |
|--------------------------------|----------------|----------------|
| 9. OTHER CURRENT ASSETS | | |
| Prepayments | 110,000 | 107,444 |
| Advances to suppliers | 671 | 32,205 |
| VAT receivables (net) | -- | 414 |
| | <u>110,671</u> | <u>140,063</u> |

10. 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 parent company, subsidiaries, entities under common ownership and/or common management control, directors, general manager and relatives thereof.



JINDAL SAW HOLDINGS 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 | Entities under common ownership and/or common | | | | Subsidiary | Key | Total | Total |
|--|------------|---|---------------|------------|-------------|-----------------|--------------|-------------|------------|
| | company | management control | | | | | management | | |
| | Jindal saw | SV Trading | International | Jindal Saw | Jindal Saw | Jindal Saw | Vineet Pahwa | 2025 | 2024 |
| | LTD | Limited | Investments | Italia | Gulf LLC | Middle East FZE | | | |
| | | | (BVI) Limited | | | | | | |
| | AED | AED | AED | AED | AED | AED | AED | AED | AED |
| Long-term loan to a related party (included in non-current financial assets) | -- | -- | -- | -- | 127,136,976 | -- | -- | 127,136,976 | |
| | -- | -- | -- | -- | -- | 94,701,099 | -- | | 94,701,099 |
| Due from related parties | -- | -- | -- | -- | -- | -- | -- | -- | |
| | -- | -- | -- | 15,151,837 | 14,969,673 | -- | -- | | 30,121,510 |
| Due to related parties | -- | -- | -- | -- | 435,963 | -- | -- | 435,963 | |
| | -- | 4,462,640 | -- | -- | -- | -- | -- | | 4,462,640 |
| Non-cumulative optionally convertible preference shares (included in non-current financial liabilities) | 79,680,000 | -- | -- | -- | -- | -- | -- | 79,680,000 | |
| | 79,680,000 | -- | -- | -- | -- | -- | -- | | 79,680,000 |
| Long-term loans from related parties (included in non-current financial liabilities) | -- | 19,817,696 | 38,194,000 | -- | -- | -- | -- | 58,011,696 | |
| | -- | -- | 84,100,250 | -- | -- | -- | -- | | 84,100,250 |



JINDAL SAW HOLDINGS FZE

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

| | Parent company | Entities under common ownership and/or common management control | | | | Subsidiary | Key management personnel | Total | Total |
|--|-------------------|---|---|----------------------|------------------------|-------------------------------|--------------------------------|------------|------------|
| | Jindal Saw LTD | SV Trading Limited | International Investments (BVI) Limited | Jindal Saw Italia | Jindal Saw Gulf LLC | Jindal Saw Middle East FZE | Vineet Pahwa | 2025 | 2024 |
| | AED | AED | AED | AED | AED | AED | AED | AED | AED |
| Investment in subsidiaries | -- | -- | -- | -- | 300,000 | 66,000,000 | -- | 66,300,000 | -- |
| | -- | -- | -- | -- | 300,000 | 98,435,877 | -- | | 98,735,877 |
| Provision for staff end-of-service benefits | -- | -- | -- | -- | -- | -- | 11,507 | 11,507 | -- |
| | -- | -- | -- | -- | -- | -- | -- | | -- |
| Accruals of staff annual leave salaries | -- | -- | -- | -- | -- | -- | 23,060 | 23,060 | -- |
| | -- | -- | -- | -- | -- | -- | -- | | -- |



JINDAL SAW HOLDINGS FZE

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

All balances are unsecured and are expected to be settled in cash except investment in subsidiaries and non-cumulative optionally convertible preference shares.

All balances are expected to be settled on demand except investment in subsidiaries and long-term loan to a related party. Other repayment terms are in note 13.

All balances are interest-free except the balances due from related parties. Out of the balance due from related parties, AED nil (at 31 March 2024 – AED 15,151,837) bears variable interest rate of EURIBOR+3.25% per annum.

Significant related party transactions during the year were with entities under common ownership and/or common management control only as follows:

| | Parent | Entities under common ownership and/or | | | key | Total | Total |
|---|------------|--|------------|------------|------------|---------|-----------|
| | company | common management control | | | management | | |
| | Jindal saw | SV Trading | Jindal Saw | Jindal Saw | Vineet | 2025 | 2024 |
| | LTD | Limited | Italia | Gulf LLC | Pahwa | AED | AED |
| | AED | AED | AED | AED | AED | | |
| Expenses recovered from a related party (net) | -- | -- | -- | 255,589 | -- | 255,589 | |
| | -- | -- | -- | 709,217 | -- | | 709,217 |
| Interest income | -- | -- | 503,413 | -- | -- | 503,413 | |
| | -- | -- | 1,084,717 | -- | -- | | 1,084,717 |
| Finance costs | -- | 114,181 | -- | -- | -- | 114,181 | |
| | -- | 44,185 | -- | -- | -- | | 44,185 |
| Related party balance written-off | -- | -- | -- | -- | -- | -- | |
| | 32,781 | -- | -- | -- | -- | | 32,781 |
| Provision for end of service benefits transferred | -- | -- | -- | -- | -- | -- | |
| | -- | -- | -- | 1,087,774 | -- | | 1,087,774 |
| Salaries and other related benefits | -- | -- | -- | -- | 379,114 | 379,114 | |
| | -- | -- | -- | -- | -- | | -- |
| End-of-service benefits | -- | -- | -- | -- | 11,507 | 11,507 | |
| | -- | -- | -- | -- | -- | | -- |



JINDAL SAW HOLDINGS FZE

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

Administrative and staff related services are rendered to a related party at arm's length.

11. CASH AND CASH EQUIVALENTS

Comprises balance in bank current accounts of AED 316,687 (at 31 March 2024 – AED 976,497).

| | 2025 AED | 2024 AED |
|---------------------------------|--------------------|--------------------|
| 12. SHARE CAPITAL | | |
| Issued and paid up | | |
| 1000 shares of AED 124,900 each | <u>124,900,000</u> | <u>124,900,000</u> |

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

| Name | No. of shares | AED |
|--------------------|---------------|--------------------|
| M/s Jindal Saw Ltd | <u>1,000</u> | <u>124,900,000</u> |

| | 2025 AED | 2024 AED |
|--|-------------------|-------------------|
| 13. LOANS FROM RELATED PARTIES | | |
| International Investments Limited BVI [note (a)] | <u>38,194,000</u> | 84,100,250 |
| SV Trading Limited [note (b)] | <u>19,817,696</u> | -- |
| | <u>58,011,696</u> | <u>84,100,250</u> |

Notes:

- a. The loan from M/s. International Investments Limited BVI, a related party, is interest free with no fixed repayment terms. The Entity will not repay the loan within one year from the reporting date. Accordingly, it is classified as non-current liabilities.
- b. The loan from M/s. SV Trading Limited, a related party, is bearing a fixed interest rate of 1% per annum. The interest shall be paid on maturity of the Loan. The Entity can repay the entire outstanding loan in one or more instalments by the 31 December 2029. Accordingly, it is classified as non-current liabilities.



JINDAL SAW HOLDINGS FZE

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

14. CONVERTIBLE PREFERENCE SHARES

Convertible preference shares comprise non-cumulative optionally convertible redeemable preference shares ("NCOCRPS") issued to Jindal Saw Limited, India of AED 79,680,000 (at 31 March 2024 - AED 79,680,000), divided into 7,968 shares (at 31 March 2024 - 7,968 shares) of AED 10,000 (at 31 March 2024 - AED 10,000) each.

NCOCRPS shall be redeemed or converted to ordinary equity shares within 10 years from allotment. However, the holder has the option to convert these NCOCRPS into equity at fair value at any time before redemption. NCOCRPS also carry discretionary non-cumulative coupon rate of 6% p.a. Therefore, NCOCRPS is treated as a non-current financial liability.

| | 2025 AED | 2024 AED |
|--|---------------|-------------|
| 15. PROVISION FOR STAFF END-OF-SERVICE BENEFITS | | |
| Opening balance | -- | 915,360 |
| Provision made during the year | 11,507 | 172,414 |
| Provision transferred (note below) | -- | (1,087,774) |
| Paid during the year | -- | -- |
| Closing balance | <u>11,507</u> | <u>--</u> |

Note:

During the previous year, all employees of the Entity were transferred to M/s Jindal Saw Gulf Ltd, and accordingly, the provision for end-of-service benefits had also been transferred to M/s Jindal Saw Gulf Ltd. However, in December 2024, one employee joined the Entity, and a corresponding provision for end-of-service benefits has been recognized in respect of this employee.

| | 2025 AED | 2024 AED |
|--|---------------|---------------|
| 16. ACCRUALS AND OTHER PAYABLES | | |
| Accruals | 12,500 | 6,250 |
| Other payables | -- | 40,927 |
| | <u>12,500</u> | <u>47,177</u> |

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



JINDAL SAW HOLDINGS FZE

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

17. OTHER CURRENT LIABILITIES

Comprise accruals of staff annual leave salaries of AED 23,060 (at 31 March 2024 – AED nil).

18. MANAGEMENT OF CAPITAL

The Entity's objectives when managing capital are to ensure that the Entity continues as a going concern and to provide the shareholder 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 owing to third parties, net of cash and cash equivalents.

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

19. GAIN ON SALE OF INVESTMENT IN A SUBSIDIARY

Comprises gain on sale of investment in a subsidiary, Greenray Holdings Limited [Note 6 (b)].

| | 2025 AED | 2024 AED |
|---|---------------|-------------|
| Cost of investments in a subsidiary | 34,534,247 | -- |
| Reversal of impairment provision on investments | (34,534,247) | -- |
| Sale proceeds of investment in a subsidiary | 17,996 | -- |
| Gain on sale of investment in a subsidiary | <u>17,996</u> | <u>--</u> |

20. STAFF COSTS

| | 2025 AED | 2024 AED |
|-------------------------------------|----------------|----------------|
| Salaries and other related benefits | 364,082 | 656,803 |
| End-of-service benefits | 11,507 | 172,414 |
| | <u>375,589</u> | <u>829,217</u> |

21. OTHER EXPENSES

| | 2025 AED | 2024 AED |
|-----------------------------------|---------------|---------------|
| Short-term lease charges | 66,287 | 60,124 |
| Related party balance written-off | -- | 32,781 |
| Other expenses | 10,242 | 6,125 |
| | <u>76,529</u> | <u>99,030</u> |

22. INTEREST INCOME

Comprise interest income on the balances of due from related parties of AED 503,413 (previous year – AED 1,084,717).



JINDAL SAW HOLDINGS FZE

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

| | 2025 AED | 2024 AED |
|---|-------------|-------------|
| 23. FINANCE COSTS | | |
| Relating to bank charges associated with borrowings | 12,027 | 7,422 |
| Relating to balance due to a related party | 114,181 | 44,185 |
| | 126,208 | 51,607 |

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

| | 2025 AED | 2024 AED |
|-------------------------------|-------------|-------------|
| Financial assets | | |
| Non-current financial assets | 127,136,976 | 94,701,099 |
| Security deposits | 74,000 | 74,000 |
| Due from related parties | -- | 30,121,510 |
| Cash and cash equivalents | 316,687 | 976,497 |
| | 127,527,663 | 125,873,106 |
| Financial liabilities | | |
| Loans from related parties | 58,011,696 | 84,100,250 |
| Convertible preference shares | 79,680,000 | 79,680,000 |
| Accruals and other payables | 12,500 | 47,177 |
| Due to related parties | 435,963 | 4,462,640 |
| | 138,140,159 | 168,290,067 |

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, security deposits, due from and due to related parties, and accruals and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.



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

Interest-free long-term loans to related parties and other financial liabilities, due to their terms have fair values lower than their carrying values.

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

- Fair value of long-term loans to a related party 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 amount of the loans are not materially different from their fair values.
- Fair value of long-term loans from related party is 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 amount of the loan is not materially different from their fair values.

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, cash flow interest rate 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.



JINDAL SAW HOLDINGS FZE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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 cash and cash equivalents, other financial assets, other receivables and amounts due from related parties.

The Entity's bank accounts are placed with high credit quality financial institutions and hence have low credit risk.

Amounts due from related parties relate to transactions arising in the normal course of business with minimal credit risk.

At the reporting date, amount due from related parties are AED nil (at 31 March 2024 98% are due from 2 related parties).

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.

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.



JINDAL SAW HOLDINGS FZE

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

| | Less than one year | | One to five years | | Over five years | | Total | |
|-------------------------------|--------------------|------------------|-------------------|-------------|--------------------|--------------------|--------------------|--------------------|
| | 2025 AED | 2024 AED | 2025 AED | 2024 AED | 2025 AED | 2024 AED | 2025 AED | 2024 AED |
| Loans from related parties | -- | -- | -- | -- | 58,011,696 | 84,100,250 | 58,011,696 | 84,100,250 |
| Convertible preference shares | -- | -- | -- | -- | 79,680,000 | 79,680,000 | 79,680,000 | 79,680,000 |
| Accruals and other payables | 12,500 | 47,177 | -- | -- | -- | -- | 12,500 | 47,177 |
| Due to related parties | 435,963 | 4,462,640 | -- | -- | -- | -- | 435,963 | 4,462,640 |
| | <u>448,463</u> | <u>4,509,817</u> | <u>--</u> | <u>--</u> | <u>137,691,696</u> | <u>163,780,250</u> | <u>138,140,159</u> | <u>168,290,067</u> |

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 Entity's income or the value of its holdings of financial instruments. 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 to which the Dirham is fixed except for the following:

| | 2025 AED | 2024 AED |
|-------------------------------|---------------|----------------|
| Cash and bank balances | | |
| - Euro | <u>21,290</u> | <u>842,152</u> |

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

Interest rate risk

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

Amount due to a related party is subject to fixed interest rate of 1% per annum and are therefore exposed to fair value interest rate risk.

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



JINDAL SAW HOLDINGS FZE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

25. 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 HOLDINGS FZE



AMIT KUMAR
DIRECTOR



SANDEEP PRAHLADRAI AGARWAL
DIRECTOR

