

**JINDAL SAW GULF L.L.C**

**FINANCIAL STATEMENTS AND REPORT  
YEAR ENDED 31 MARCH 2026**

# JINDAL SAW GULF L.L.C

## FINANCIAL STATEMENTS AND REPORT YEAR ENDED 31 MARCH 2026

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# JINDAL SAW GULF L.L.C

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2026

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The directors submit their report and financial statements of **JINDAL SAW GULF L.L.C** (the "Company") for the year ended 31 March 2026. We approve the financial statements and confirm that we are responsible for these, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

#### Results and dividends

The profit for the year amounted to AED 59,025,741. No dividend is recommended.

#### Review of the business

The company's principal activities during the year were manufacturing and supplies of cast iron tubes, pipes, hollow profiles and fittings, metal coating and supplies, and non-metallic coating and supplies of metals.

#### Legal and regulatory requirements

The company has complied with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 on Commercial Companies as amended.

#### Significant event during the year

The ongoing geopolitical conflict in the West Asia Region have introduced a degree of uncertainty in the Global and regional environment. The United Arab Emirates may experience indirect impacts arising from these developments. The Company has assessed the potential implications of the situation on its operations and financial performance as at the reporting date.

While there is no material direct impact on the Company's financial statements for the current reporting period, the management continues to closely monitor the situations in the region.

Potential risk that may arise include fluctuations in oil prices, disruptions to supply chain, increased transportation/insurance cost which could have an impact on the Company's operations in the future periods.

*continued...*



# JINDAL SAW GULF L.L.C

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2026

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(continued)

### Shareholders and their interests

The shareholders at 31 March 2026 and their interests at that date in the share capital of the company were as follows:

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

### Independent auditor

PKF Abu Dhabi Branch were appointed as independent auditor for the year ended 31 March 2026 and it is proposed that they be re-appointed for the year ending 31 March 2027.



AMIT KUMAR  
DIRECTOR



SANDEEP PRAHLADRAI AGARWAL  
DIRECTOR





Accountants &  
business advisers

PKF - Abu Dhabi Branch  
بييه كي إف - ابوظببي

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of **JINDAL SAW GULF L.L.C** (the "Company"), which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates (UAE), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

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

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## INDEPENDENT AUDITOR'S REPORT

(continued)

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

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 on Commercial Companies as amended, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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## INDEPENDENT AUDITOR'S REPORT

(continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and
- Obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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## INDEPENDENT AUDITOR'S REPORT

(continued)

### Report on Other Legal and Regulatory Requirements

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

- i) We have obtained all the information we considered necessary for the purpose of our audit;
- ii) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 on Commercial Companies as amended,
- iii) The Company has maintained proper books of account;
- iv) The financial information included in the Directors' report is consistent with the books of account of the Company;
- v) The Company has not purchased or invested in any shares during the financial year ended 31 March 2026;
- vi) Note 12 to the financial statements reflects material related party transactions, and the terms under which these were conducted;
- vii) Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 March 2026 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 on Commercial Companies as amended or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2026 and there are no significant penalties imposed on the Company.

For **PKF - Abu Dhabi Branch**



**Jyotin M. Dholakia**

**Partner**

Registration No. 5788

Abu Dhabi, United Arab Emirates

21 April 2026

# JINDAL SAW GULF L.L.C

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	2026 AED	2025 AED
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	329,349,124	349,749,112
Intangible assets	7	30,952	8,103
Deferred tax assets	8	--	330,858
		<u>329,380,076</u>	<u>350,088,073</u>
<b>Current assets</b>			
Inventories	9	207,055,758	241,201,426
Trade and other receivables	10	122,742,419	173,394,714
Other current assets	11	27,940,897	49,384,810
Due from related parties	12	1,562,148	435,963
Other financial assets	13	17,029,676	2,121,426
Cash and cash equivalents	14	6,685,881	1,528,745
		<u>383,016,779</u>	<u>468,067,084</u>
<b>Total assets</b>		<u><u>712,396,855</u></u>	<u><u>818,155,157</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	300,000	300,000
Statutory reserve		150,000	150,000
Retained earnings		62,014,334	2,988,593
<b>Equity</b>		<u>62,464,334</u>	<u>3,438,593</u>
<b>Non-current liabilities</b>			
Long-term borrowings	16	29,874,486	58,245,340
Lease liabilities	17	64,554,909	69,094,527
Loans from related parties	12	301,587,869	301,587,869
Provision for staff end-of-service benefits	18	9,170,042	7,774,261
		<u>405,187,306</u>	<u>436,701,997</u>

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# JINDAL SAW GULF L.L.C

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

(Continued)

	Notes	2026 AED	2025 AED
<b>Current liabilities</b>			
Short-term borrowings	16	108,502,418	212,413,165
Trade and other payables	19	72,348,399	87,659,682
Lease liabilities	17	4,845,290	4,158,520
Due to a related party	12	18,656,188	24,905,247
Other current liabilities	20	8,750,296	4,450,086
Contract liabilities	21	31,642,624	44,427,867
		<u>244,745,215</u>	<u>378,014,567</u>
<b>Total liabilities</b>		<u>649,932,521</u>	<u>814,716,564</u>
<b>Total equity and liabilities</b>		<u>712,396,855</u>	<u>818,155,157</u>

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

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

Approved and authorised for issue by the shareholders and signed on their behalf by directors Mr. Amit Kumar and Mr. Sandeep Prahladrai Agarwal on 21 April 2026.

For **JINDAL SAW GULF L.L.C**



AMIT KUMAR  
DIRECTOR



SANDEEP PRAHLADRAI AGARWAL  
DIRECTOR



# JINDAL SAW GULF L.L.C

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 AED	2025 AED
<b>Revenue</b>	23	<b>913,062,150</b>	849,826,184
Direct costs	24	<b>(618,338,831)</b>	(620,142,972)
Gross profit		<b>294,723,319</b>	229,683,212
Other income	25	<b>175,165</b>	1,924,310
Selling and distribution expenses	26	<b>(161,522,179)</b>	(135,932,278)
Administrative expenses	27	<b>(33,857,259)</b>	(30,093,305)
Allowance for expected credit losses reversed / (made) (net)	10	<b>7,973</b>	(13,361)
Finance costs	28	<b>(33,224,898)</b>	(30,439,826)
<b>PROFIT BEFORE INCOME TAX FOR THE YEAR</b>		<b>66,302,121</b>	35,128,752
Tax expense	32	<b>(7,276,380)</b>	(2,647,563)
<b>PROFIT AFTER TAX FOR THE YEAR</b>		<b>59,025,741</b>	32,481,189
<b>Other comprehensive income</b>		<b>--</b>	<b>--</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>59,025,741</b>	32,481,189

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

The report of the independent auditor is set forth on pages 3 to 6.



# JINDAL SAW GULF L.L.C

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026

		Share capital	Statutory reserve	(Accumulated losses) / retained earnings	Total
		AED	AED	AED	AED
As at 1 April 2024		300,000	150,000	(29,492,596)	(29,042,596)
Comprehensive income					
- Profit after tax for the year	(a)	--	--	32,481,189	32,481,189
- Other comprehensive income	(b)	--	--	--	--
Total comprehensive income for the year	(a + b)	--	--	32,481,189	32,481,189
Balance at 31 March 2025		300,000	150,000	2,988,593	3,438,593
Comprehensive income					
- Profit after tax for the year	(c)	--	--	59,025,741	59,025,741
- Other comprehensive income	(d)	--	--	--	--
Total comprehensive income for the year	(c + d)	--	--	59,025,741	59,025,741
Balance at 31 March 2026		<b>300,000</b>	<b>150,000</b>	<b>62,014,334</b>	<b>62,464,334</b>

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

The report of the independent auditor is set forth on pages 3 to 6.



# JINDAL SAW GULF L.L.C

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	2026 AED	2025 AED
<b>Cash flows from operating activities</b>		
Profit before tax for the period	66,302,121	35,128,752
Adjustments for:		
Depreciation of property, plant and equipment	38,425,070	38,234,989
Loss on disposals of property, plant and equipment	2,477,912	490,769
Amortisation of intangible assets	7,742	5,205
Finance costs	33,224,898	31,013,303
Expenses recovered from related parties	(175,165)	(120,000)
Gain on cancellation of a lease contract	--	(1,763,078)
Allowance for expected credit losses (net)	(7,973)	13,361
Provision for staff end-of-service benefits	1,978,251	1,227,479
	<u>142,232,856</u>	<u>104,230,780</u>
Changes in:		
• Inventories	34,145,668	81,918,783
• Trade and other receivables	50,660,268	(24,311,302)
• Other current assets	21,443,913	(28,773,316)
• Trade and other payables	(14,055,335)	15,765,499
• Other current liabilities	(2,645,313)	(347,551)
• Contract liabilities	(12,785,243)	40,227,024
Staff end-of-service benefits paid	(582,470)	(1,109,892)
Net cash generated from operations	<u>218,414,344</u>	<u>187,600,025</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(20,015,894)	(23,850,108)
Proceeds on disposals of property, plant and equipment	8,381	3,514
Payments for Intangible assets	(30,591)	--
Increase in other financial assets	(14,908,250)	(1,877,333)
Payments to related parties	(951,020)	(315,963)
Net cash used in investing activities	<u>(35,897,374)</u>	<u>(26,039,890)</u>

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# JINDAL SAW GULF L.L.C

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

(Continued)

	2026 AED	2025 AED
<b>Cash flows from financing activities</b>		
(Repayments of) / proceeds from term loans (net)	(27,786,947)	86,005,068
(Repayments of) / proceeds from bank overdrafts (net)	(1,758,213)	3,131,765
(Repayments of) / proceeds from trust receipts (net)	(102,736,441)	181,521,672
Payments of lease liabilities (net)	(9,275,669)	(18,911,547)
Interest paid	(29,553,505)	(22,669,362)
Payments to related parties	(6,249,059)	--
Funds withdrawn by a shareholder	--	(390,600,706)
Net cash used in financing activities	<u>(177,359,834)</u>	<u>(161,523,110)</u>
<b>Net increase in cash and cash equivalents</b>	<b>5,157,136</b>	<b>37,025</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,528,745</b>	<b>1,491,720</b>
<b>Cash and cash equivalents at end of year (note 14)</b>	<b><u>6,685,881</u></b>	<b><u>1,528,745</u></b>
<b>Non-cash investing and financing activities include</b>		
Property, plant and equipment (net) transferred by a shareholder (credited to shareholder's current account)	--	(154,156,855)
Transfer of long-term Loans from related parties	--	301,587,869
Shareholder's current account balance reclassified as amount due to a related party	--	24,905,247

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

The report of the independent auditor is set forth on pages 3 to 6.



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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### 1. LEGAL STATUS AND BUSINESS ACTIVITY

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

### 2. BASIS OF PREPARATION

#### a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 April 2025, and the requirements of the UAE Federal Decree Law No. (32) of 2021 on Commercial Companies as amended.

#### 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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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 are prepared on a going concern basis.

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

d) **Adoption of new Standards**

***Standards, amendments, improvements and interpretations effective for the current year***

The following amendments which became effective for current year, did not have any significant impact on the Company's financial statements:

- Amendments to IAS 21 – Lack of exchangeability

***New and revised standards in issue but not yet effective and not early adopted***

The following standards, 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 the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7) (1 April 2026)
- Annual Improvements to IFRS Accounting Standards—Volume 11 (1 April 2026)
- IFRS 18 Presentation and Disclosures in Financial Statements (1 April 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (1 April 2027)

e) **Functional and presentation currency**

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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### 3. SIGNIFICANT ACCOUNTING POLICIES

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

#### a) Property, plant and equipment

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

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

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

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

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

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

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

b) **Intangible assets**

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

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

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

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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d) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person.

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

e) **Inventories**

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

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

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

f) **Staff benefits**

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

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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### *Defined contribution plan*

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

### g) **Statutory reserve**

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

### h) **Revenue recognition**

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

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

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

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

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

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

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

### ***Sale of goods***

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

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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i) Variable consideration

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

ii) Significant financing component

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

### **Shared support services**

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

i) **Direct costs**

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

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

j) **Contract liabilities**

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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### k) **Leases**

#### *As a lessee*

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

#### *Right-of-use assets*

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

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

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

#### *Lease liabilities*

The Company recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Company; and



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

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

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

### *Short-term leases and leases of low-value assets*

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

### l) **Cash and cash equivalents**

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

### m) **Foreign currency transactions**

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

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

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

### n) **Borrowing costs**

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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o) **Provisions**

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

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

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

p) **Contingencies and commitments**

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

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

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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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 Company classifies all other liabilities as non-current.

### r) **Financial instruments**

#### **Classification**

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

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

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

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

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

#### **Recognition**

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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### ***Derecognition***

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

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

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

### ***Measurement***

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

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

### ***Financial assets***

#### ***Financial assets at amortised cost***

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

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

All other financial assets are subsequently measured at fair value.

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

### **Financial liabilities**

#### *Financial liabilities at amortised cost*

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

### **Impairment of financial assets**

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

Loss allowances are measured on either of the following basis:

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

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

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

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

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

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

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

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

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

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

### ***Offsetting***

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

### ***Equity***

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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### s) **Fair value measurement**

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

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

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

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

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

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

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

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

#### **Classification of financial assets**

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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### **Impairment**

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

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

### **Leases**

#### *Determining the lease term*

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

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

#### *Discounting of lease payments*

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

### **Recognition of revenue and allocation of transaction price**

#### *Determine timing of satisfaction of performance obligation*

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

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

### 5. **KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

#### **Carrying values of property, plant and equipment**

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

#### **Inventory provisions**

Management regularly undertakes a review of the Company's inventory, stated at AED 207,055,758 (at 31 March 2025 - AED 241,201,426) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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### **Fair value of financial assets**

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

### **Impairment**

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

### **Impairment of financial assets**

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

### **Staff end-of-service benefits**

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 9,170,042 (at 31 March 2025 - AED 7,774,261), 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

### 6. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties			Plant and machinery				Furniture, fixtures and office equipment	Motor vehicles	Total
	Right-of-use assets [(refer notes (b) and (c) below)]	Capital work-in-progress	Other leasehold buildings Improvements	Right-of-use assets [refer note (a) below]	Capital work-in-progress	Moulds	Other equipment in-use			
	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED
<b>Costs</b>										
At 1 April 2024	75,218,308	58,551	12,018,383	123,607,361	7,151,509	93,105,843	80,555,804	4,131,079	2,590,267	398,437,105
Additions	--	42,417	17,922	--	7,457,774	5,989,288	9,686,795	251,172	404,740	23,850,108
Adjustment on modification of lease contract	20,273,095	--	--	--	--	--	--	--	--	20,273,095
Transfers by a shareholder [note (a) below]	--	--	--	--	--	9,339,398	350,171,691	--	--	359,511,089
Adjustment on cancellation of a lease contract	(7,963,116)	--	--	(123,607,361)	--	--	--	--	--	(131,570,477)
Disposals	--	--	--	--	--	(4,691,093)	(316,810)	(2,326,799)	(99,600)	(7,434,302)
Transfers	--	(30,000)	--	--	(2,189,117)	--	2,219,117	--	--	--
At 31 March 2025	87,528,287	70,968	12,036,305	--	12,420,166	103,743,436	442,316,597	2,055,452	2,895,407	663,066,618
Additions	495,481	--	--	--	1,867,085	7,582,707	10,183,156	143,664	239,282	20,511,375
Disposals	--	--	--	--	--	(11,581,845)	(494,061)	--	(58,695)	(12,134,601)
Transfer	--	--	--	--	(9,943,274)	--	9,943,274	--	--	--
At 31 March 2026	<b>88,023,768</b>	<b>70,968</b>	<b>12,036,305</b>	<b>--</b>	<b>4,343,977</b>	<b>99,744,298</b>	<b>461,948,966</b>	<b>2,199,116</b>	<b>3,075,994</b>	<b>671,443,392</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	Leasehold properties			Plant and machinery			Furniture, fixtures and office equipment	Motor vehicles	Total	
	Right-of-use assets [notes (b) and (c) below]	Capital work-in-progress	Other leasehold buildings Improvements	Right-of-use assets [refer note (a) below]	Capital work-in-progress	Moulds				Other equipment in-use
	AED	AED	AED	AED	AED	AED	AED			
<b>Accumulated depreciation</b>										
At 1 April 2024	23,496,321	--	5,164,215	103,006,136	--	41,673,136	17,329,404	3,504,264	2,047,923	196,221,399
Depreciation	5,349,726	--	621,220	8,583,845	--	6,955,170	16,371,174	226,176	127,678	38,234,989
Adjustments for transfers by a shareholder [note (a) below]	--	--	--	--	--	5,966,845	199,387,389	--	--	205,354,234
Adjustment on cancellation of a lease contract	(7,963,116)	--	---	(111,589,981)	--	--	--	--	---	(119,553,097)
Adjustment relating to disposals	--	--	--	--	--	(4,218,751)	(301,640)	(2,320,028)	(99,600)	(6,940,019)
At 31 March 2025	20,882,931	--	5,785,435	--	--	50,376,400	232,786,327	1,410,412	2,076,001	313,317,506
Depreciation	5,758,414	--	622,717	--	--	6,826,285	24,812,906	238,808	165,940	38,425,070
Adjustment relating to disposals	--	--	--	--	--	(9,105,605)	(484,008)	--	(58,695)	(9,648,308)
As at 31 March 2026	<b>26,641,345</b>	--	<b>6,408,152</b>	--	--	<b>48,097,080</b>	<b>257,115,225</b>	<b>1,649,220</b>	<b>2,183,246</b>	<b>342,094,268</b>



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(continued)

	Leasehold properties			Plant and machinery				Furniture, fixtures and office equipment	Motor vehicles	Total AED
	Right-of-use assets [notes (b) and (c) below] AED	Capital work- in- progress AED	Other leasehold buildings Improvements AED	Right-of-use assets [note (a) below] AED	Capital work- in- progress AED	Moulds AED	Other equipment in use AED	AED	AED	
<b>Carrying amount</b>										
At 1 April 2024	51,721,987	58,551	6,854,168	20,601,225	7,151,509	51,432,707	63,226,400	626,815	542,344	202,215,706
At 31 March 2025	66,645,356	70,968	6,250,870	--	12,420,166	53,367,036	209,530,270	645,040	819,406	349,749,112
At 31 March 2026	<b>61,382,423</b>	<b>70,968</b>	<b>5,628,153</b>	<b>--</b>	<b>4,343,977</b>	<b>51,647,218</b>	<b>204,833,741</b>	<b>549,896</b>	<b>892,748</b>	<b>329,349,124</b>

continued...



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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Notes:

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

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



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

### 7. INTANGIBLE ASSETS

#### Computer software

##### Cost

	AED
At 1 April 2024	1,215,374
At 31 March 2025	1,215,374
Additions	<b>30,591</b>
At 31 March 2026	<b>1,245,965</b>

##### Accumulated amortisation

At 1 April 2024	1,202,066
Amortisation	5,205
At 31 March 2025	1,207,271
Amortisation	7,742
At 31 March 2026	<b>1,215,013</b>

##### Carrying amount

At 1 April 2024	13,308
At 31 March 2025	8,103
At 31 March 2026	<b>30,952</b>

### 8. DEFERRED TAX ASSETS

At 31 March 2026, deferred tax assets of AED nil (at 31 March 2025 - AED 330,858) pertain to the temporary differences of finance costs in excess of the deductible limit prescribed in the article 28 of the UAE Corporate Tax Regulation, which will be deductible from profit of succeeding periods.

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

	2026 AED	2025 AED
Opening balance	330,858	--
(Debited) / credited to profit and loss account	<b>(330,858)</b>	330,858
	<b>--</b>	<b>330,858</b>



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026 AED	2025 AED
<b>9. INVENTORIES</b>		
Raw materials	105,600,717	142,802,520
Spares and consumables	32,385,022	35,214,570
Work-in-progress	4,992,576	15,715,951
Finished goods	64,077,443	47,468,385
	<u>207,055,758</u>	<u>241,201,426</u>

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

	2026 AED	2025 AED
1 - 180 days	164,760,996	184,217,256
181 - 365 days	18,367,028	12,567,429
Ove 365 days	23,927,734	44,416,741
	<u>207,055,758</u>	<u>241,201,426</u>

### 10. TRADE AND OTHER RECEIVABLES

Trade receivables	122,789,275	173,281,693
Less: allowances for expected credit losses	(666,438)	(674,411)
	<u>122,122,837</u>	172,607,282
Security deposits	146,920	146,920
Advances to staff	269,044	577,424
Other receivables	203,618	63,088
	<u>122,742,419</u>	<u>173,394,714</u>

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

	2026 AED	2025 AED
Opening balance	674,411	3,679,088
Provision (reversed)/made during the year	(7,973)	13,361
Amounts written-off	--	(3,018,038)
Closing balance	<u>666,438</u>	<u>674,411</u>

The information about credit exposure is disclosed in note 33.



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

	Not impaired		Impaired	
	2026 AED	2025 AED	2026 AED	2025 AED
Not past due	111,759,477	120,593,898	--	--
1-90 days past due	1,290,557	15,778,705	--	--
91-180 days past due	413,325	10,571,594	--	--
181-365 days past due	2,342,302	13,306,662	--	--
Over 365 days past due	6,317,176	12,356,423	666,438	674,411
	<u>122,122,837</u>	<u>172,607,282</u>	<u>666,438</u>	<u>674,411</u>

Trade receivables are secured as follows:

	2026 AED	2025 AED
Against post-dated cheques	3,023,905	1,501,305
Against bankers' letters of credit	85,674,741	107,990,542
	<u>88,698,646</u>	<u>109,491,847</u>

### 11. OTHER CURRENT ASSETS

	2026 AED	2025 AED
Prepayments	1,144,928	2,371,187
Advance for goods and services	3,550,781	32,744,978
VAT receivables (net)	23,245,188	14,268,645
	<u>27,940,897</u>	<u>49,384,810</u>

### 12. RELATED PARTIES

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

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



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

At the 31 March 2026, significant related party balances were as follows:

	Trade Receivables AED	Trade Payables AED	Loan from related Parties AED	Due to a related Party AED	Due from related parties AED	Advance for goods and services (net) AED
<b>Ultimate parent company</b>						
Jindal Saw Limited	--	14,307,555	--	--	--	--
<b>Shareholders</b>						
Jindal Saw Middle East FZE	--	--	--	18,656,188	--	--
Jindal Saw Holdings FZE	--	--	127,136,976	--	1,506,983	--
<b>Entities under common ownership and/or common management control</b>						
Jindal Saw Italia S.R.L.	15,437,339	--	--	--	--	--
International Investments (BVI) Limited	--	--	174,450,893	--	--	--
Bhuj Polymers Pvt Ltd.	--	186,180	--	--	--	334,095
Shalimar Paint Ltd	--	--	--	--	--	--
Jindal Seamless Pipe Manufacturing	--	--	--	--	55,165	--
	<b>15,437,339</b>	<b>14,493,735</b>	<b>301,587,869</b>	<b>18,656,188</b>	<b>1,562,148</b>	<b>334,095</b>

	Advances to staff AED	Accruals of staff leave salaries AED	Provision for end-of- service benefits AED
Directors and key managerial persons	50,000	144,148	1,047,040



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

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

	Advances to staff AED	Accruals of staff leave salaries AED	Provision for end-of- service benefits AED
Directors and key managerial persons	<b>113,140</b>	<b>133,416</b>	<b>863,110</b>

All balances are unsecured and are expected to be settled in cash except the balances due from and due to related parties.

Transactions with related parties are approved by the management. Amounts due from related parties relate to transactions arising in the normal course of business with minimal credit risk. For the year ended 31 March 2026 and 31 March 2025, the Company has not recorded any allowance for expected credit losses of the amounts owed by the related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The balances due from and due to related parties are unsecured, interest-free and are repayable on demand.



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Significant related party transactions during the year ended 31 March 2026 were as follows:

	Revenue AED	Materials procured AED	Expenses recovered from related parties AED	Director's remuneration AED	Staff salaries and benefits AED
<b>Ultimate parent company</b>					
Jindal Saw Limited	--	40,822,868	--	--	--
<b>Shareholders</b>					
Jindal Saw Middle East FZE	--	--	120,000	--	--
<b>Entities under common ownership and/or common management control</b>					
Jindal Saw Italia S.R.L.	24,862,334	863	--	--	--
Bhuj Polymers Pvt Ltd.	--	14,893,789	--	--	--
Shalimar Paint Ltd	--	2,974,828	--	--	--
Jindal Seamless Pipe Manufacturing	--	--	55,165	--	--
<b>Directors and key managerial persons</b>					
	--	--	--	300,000	3,359,319
	<b>24,862,334</b>	<b>58,692,348</b>	<b>175,165</b>	<b>300,000</b>	<b>3,359,319</b>

	Bank charges recharged by a related party AED	Finance costs AED	Other expenses recharged by a related party AED	Transfer of long-term loans from related parties AED
<b>Ultimate parent company</b>				
Jindal Saw Limited	1,430,821	--	--	--
<b>Shareholders</b>				
Jindal Saw Middle East FZE	4,065	605,179	393	--
Jindal Saw Holdings FZE	--	--	771,607	--
<b>Entities under common ownership and/or common management control</b>				
International Investments (BVI) Limited	--	10,204,035	--	--
	<b>1,434,886</b>	<b>10,809,214</b>	<b>772,000</b>	<b>--</b>



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

	Transfer of property, plant and equipment from a shareholder AED	Revenue AED	Materials procured AED	Expenses recovered from related parties AED	Director's remuneration AED	Staff salaries and benefits AED
<b>Ultimate parent company</b>						
Jindal Saw Limited	--	4,512	47,716,212	--	--	--
<b>Shareholders</b>						
Jindal Saw Middle East FZE	154,156,855	--	--	120,000	--	--
<b>Entities under common ownership and/or common management control</b>						
Jindal Saw Italia S.R.L.	--	27,242,921	127,088	--	--	--
Bhuj Polymers Pvt Ltd.	--	--	15,583,371	--	--	--
Shalimar Paint Ltd	--	--	2,933,672	--	--	--
<b>Directors and key managerial persons</b>						
	--	--	--	--	300,000	4,100,101
	<b>154,156,855</b>	<b>27,247,433</b>	<b>66,360,343</b>	<b>120,000</b>	<b>300,000</b>	<b>4,100,101</b>

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

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

### 13. OTHER FINANCIAL ASSETS

Comprise margin deposits for tender bonds of AED 17,029,676 (at 31 March 2025 AED - 2,121,426).



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026 AED	2025 AED
<b>14. CASH AND CASH EQUIVALENTS</b>		
Cash-on-hand	41,506	142,896
Bank balances in current accounts	6,644,375	1,385,849
	6,685,881	1,528,745

<b>15. SHARE CAPITAL</b>		
<b>Issued and paid up</b>		
300 shares of AED 1000 each	300,000	300,000
	300,000	300,000

The shareholders at 31 March 2026 and their interests as at that date in the share capital of the Company were as follows:

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

	2026 AED	2025 AED
<b>16. BORROWINGS</b>		
<b>i) LONG-TERM BORROWINGS</b>		
Term loans	58,218,121	86,005,068
Less: current portion note (ii)	(28,343,635)	(27,759,728)
	29,874,486	58,245,340
<b>ii) SHORT-TERM BORROWINGS</b>		
Bank overdrafts	1,373,552	3,131,765
Trust receipts	78,785,231	181,521,672
Current portion of term loans [note (i)]	28,343,635	27,759,728
	108,502,418	212,413,165



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

	2026 AED	2025 AED
Abu Dhabi Commercial Bank PJSC	69,056,887	119,224,509
Emirates NBD Bank PJSC	3,851,688	19,568,512
First Abu Dhabi Bank PJSC	55,247	61,488,040
National Bank of Fujairah P.S.C.	31,008,862	24,229,828
Arab Banking Corporation	34,404,220	46,147,616
	<b>138,376,904</b>	<b>270,658,505</b>

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

	2026 AED	2025 AED
Overdrafts	1,373,552	3,131,765
0 – 1 month	1,491,035	56,857,972
1 – 3 months	23,724,456	37,677,934
3 months – 1 year	81,913,375	114,745,494
Presented as current liabilities	<b>108,502,418</b>	<b>212,413,165</b>
1 year – 5 years	<b>29,874,486</b>	<b>58,245,340</b>
<b>Total</b>	<b>138,376,904</b>	<b>270,658,505</b>

Notes:

Bank facilities and loans are secured by:

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



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

	2026 AED	2025 AED
<b>17. LEASE LIABILITIES</b>		
Lease liabilities for long-term leases (note 6)	<u>69,400,199</u>	<u>73,253,047</u>

Disclosed in the statement of financial position as follows:

	2026 AED	2025 AED
Non-current liabilities	64,554,909	69,094,527
Current liabilities	4,845,290	4,158,520
	<u>69,400,199</u>	<u>73,253,047</u>

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

	2026 AED	2025 AED
Opening balance	73,253,047	80,613,396
Adjustment of modification of a lease contract during the year	495,481	20,273,095
Adjustments on cancellation of a lease contract	--	(13,780,459)
Finance cost for the year	4,927,340	5,058,562
Payments made during the year	(9,275,669)	(18,911,547)
Closing balance	<u>69,400,199</u>	<u>73,253,047</u>

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

	2026 AED	2025 AED
Lease payments due	107,900,310	116,679,254
Less: finance costs	(38,500,111)	(43,426,207)
Disclosed in the statement of financial position	<u>69,400,199</u>	<u>73,253,047</u>



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

A maturity analysis of undiscounted lease liabilities is as follows:

	2026 AED	2025 AED
0 – 1 year	9,468,794	9,082,544
1 – 5 years	37,143,968	38,880,368
More than 5 years	61,287,548	68,716,342
<b>Total</b>	<b>107,900,310</b>	<b>116,679,254</b>
<b>18. PROVISION FOR END-OF-SERVICE BENEFITS</b>		
Opening balance	7,774,261	7,656,674
Provision for the year	1,978,251	1,227,479
Paid during the year	(582,470)	(1,109,892)
Closing balance	9,170,042	7,774,261
<b>19. TRADE AND OTHER PAYABLES</b>		
Trade payables	49,843,556	64,262,582
Accruals	22,504,843	23,397,100
	<b>72,348,399</b>	<b>87,659,682</b>

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

	2026 AED	2025 AED
<b>20. OTHER CURRENT LIABILITIES</b>		
Accruals of staff leave salaries	1,673,128	1,471,665
Provision for corporate tax	7,077,168	2,978,421
	<b>8,750,296</b>	<b>4,450,086</b>



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

	2026 AED	2025 AED
Opening balance	2,978,421	--
Provision made during the year	7,077,168	2,978,421
Paid during the year	(2,846,775)	--
Reversal of excess provision for corporate tax of the previous year	(131,646)	--
Closing balance	<u>7,077,168</u>	<u>2,978,421</u>

### 21. CONTRACT LIABILITIES

Contract liabilities of AED 31,642,624 (at 31 March 2025 - AED 44,427,867) disclosed as other current liabilities comprise advances received from customers to fulfil the contracts.

### 22. MANAGEMENT OF CAPITAL

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

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

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

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

### 23. REVENUE

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



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026 AED	2025 AED
<b>Primary Geographical segments</b>		
- Within UAE	36,333,664	37,453,747
- Outside UAE	876,728,486	812,372,437
	<u>913,062,150</u>	<u>849,826,184</u>
	2026 AED	2025 AED
<b>Major service lines</b>		
- Supply of ductile iron pipes and fittings	<u>913,062,150</u>	849,826,184
<b>Timing of revenue recognition</b>		
- At a point in time	<u>913,062,150</u>	849,826,184
	2026 AED	2025 AED
<b>24. DIRECT COSTS</b>		
Material costs	460,015,413	473,257,424
Staff salaries and benefits (note 29)	47,256,187	42,515,699
Utilities (note 31)	43,227,241	38,872,152
Manufacturing overheads	36,200,798	33,014,031
Depreciation of property, plant and equipment (note 30)	31,639,192	31,910,189
Finance cost relating to lease liabilities (note 28)	--	573,477
	<u>618,338,831</u>	<u>620,142,972</u>
<b>25. OTHER INCOME</b>		
Gain on cancellation of a lease contract	--	1,763,078
Expenses recovered from related parties	175,165	120,000
Foreign exchange gain (net)	--	41,232
	<u>175,165</u>	<u>1,924,310</u>
<b>26. SELLING AND DISTRIBUTION EXPENSES</b>		
Distribution expenses	130,076,195	103,299,378
Commission expenses	22,493,975	25,424,716
Advertisement and marketing expenses	8,952,009	7,208,184
	<u>161,522,179</u>	<u>135,932,278</u>



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026 AED	2025 AED
<b>27. ADMINISTRATIVE EXPENSES</b>		
Staff salaries and benefits (note 29)	9,091,876	9,007,607
Depreciation of property, plant and equipment (note 30)	6,785,878	6,324,800
Bank charges recharged by a related party	1,434,886	4,639,359
Other expenses recharged by a related party	772,000	255,589
Bank charges others	5,691,680	2,458,524
Insurance expenses	1,297,387	1,327,441
Utilities (note 31)	1,062,963	971,419
Director's remuneration	300,000	300,000
Loss on disposals of property, plant and equipment (net)	2,477,912	490,769
Amortisation of intangible assets	7,742	5,205
Foreign exchange loss (net)	104,298	
Other expenses	4,830,637	4,312,592
	<b>33,857,259</b>	<b>30,093,305</b>
<b>28. FINANCE COSTS</b>		
On other bank loans and overdraft	12,498,642	6,331,200
Relating to bill discounting	4,989,702	4,921,558
Recharged by a shareholder	605,179	14,701,983
Relating to lease liabilities	4,927,340	5,058,562
Relating to loans from a related party	10,204,035	--
	<b>33,224,898</b>	<b>31,013,303</b>
Less: allocated to direct costs (note 24)	--	(573,477)
	<b>33,224,898</b>	<b>30,439,826</b>
<b>29. STAFF SALARIES AND BENEFITS</b>		
Allocated to direct costs (note 24)	47,256,187	42,515,699
Allocated to administrative expenses (note 27)	9,091,876	9,007,607
	<b>56,348,063</b>	<b>51,523,306</b>
<b>30. DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT</b>		
Allocated to direct costs (note 24)	31,639,192	31,910,189
Allocated to administrative expenses (note 27)	6,785,878	6,324,800
	<b>38,425,070</b>	<b>38,234,989</b>



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026 AED	2025 AED
<b>31. UTILITIES</b>		
Allocated to direct costs (note 24)	43,227,241	38,872,152
Allocated to administrative expenses (note 27)	1,062,963	971,419
	<u>44,290,204</u>	<u>39,843,571</u>

### 32. TAX EXPENSE

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

	2026 AED	2025 AED
Current tax on profits for the year	7,077,168	2,978,421
Deferred tax reversal / (benefit)	330,858	(330,858)
Reversal of excess provision for corporate tax of the previous year	(131,646)	--
	<u>7,276,380</u>	<u>2,647,563</u>

### Numerical reconciliation of income tax expense to prima facie tax payable by tax group (note 35)

Profit before tax expense for tax group	64,573,886	29,157,951
<b>Add/(less): Non-deductibles under Chapter 9 of UAE Corporate Tax (CT) Law</b>		
Fines and penalties (other than amounts awarded as compensation for damages or breach of contract)	104,684	6,802
Gifts Presentations to customers, banks, government authorities etc	478,422	307,401
Entertainment expense (50% disallowed)	318,321	338,210
(Previous year disallowed interest, claimed as deduction this year) / excess interest non-deductible (Interest capping/General Interest Deduction Limitation Rule)	(1,843,097)	3,676,204



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026 AED	2025 AED
Excess of allowed amount on disposal of investment which satisfied participation exemption conditions	--	(17,996)
Taxable Income of tax group	<u>63,632,216</u>	<u>33,468,572</u>
Corporate Tax @ 9% on taxable income above AED 375,000	<u>5,693,149</u>	<u>2,978,421</u>
Top-up tax of pillar II on account of UAE Domestic Minimum Top-up Tax	<u>1,384,019</u>	<u>--</u>
	<u><u>7,077,168</u></u>	<u><u>2,978,421</u></u>

### 33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### Financial instruments

##### *Classification and fair values*

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

	2026 AED	2025 AED
<b>Financial assets</b>		
Trade and other receivables	122,742,419	173,394,714
Due from related parties	1,562,148	435,963
Other financial assets	17,029,676	2,121,426
Cash and cash equivalents	6,685,881	1,528,745
	<u>148,020,124</u>	<u>177,480,848</u>
<b>Financial liabilities</b>		
Borrowings (long-term and short-term)	138,376,904	270,658,505
Loans from related parties	301,587,869	301,587,869
Trade and other payables	72,348,399	87,659,682
Lease liabilities	69,400,199	73,253,047
Due to a related a party	18,656,188	24,905,247
	<u>600,369,559</u>	<u>758,064,350</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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### ***Fair value measurement and disclosures***

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

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

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

### **Financial risk management**

#### ***Risk management objectives***

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

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

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

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

#### ***Credit risk***

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

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



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

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

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

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

	<b>2026</b>	2025
	<b>AED</b>	AED
Saudi Arabia	<b>18,109,220</b>	48,205,460
Kuwait	<b>22,393,460</b>	34,686,562
Iraq	<b>44,030,984</b>	27,040,033
Italy	<b>15,437,339</b>	14,197,967
Jordan	<b>661,050</b>	13,038,369
Tunisia	<b>7,508,537</b>	9,488,878
Oman	<b>5,762,302</b>	8,165,691
Bahrain	<b>1,009,836</b>	7,221,553
Thailand	--	756,990
Australia	<b>245,617</b>	--
Senegal	<b>325,089</b>	--
United Kingdom	<b>872,446</b>	--

At the reporting date 71% of trade receivables were due from 4 customers (at 31 March 2025 - 51% due from 3 customers) including a related party.

Significant concentrations of credit risk by industry are as follows:

	<b>2026</b>	2025
Trading in pipes	<b>71%</b>	54%
Construction	<b>29%</b>	38%



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

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

	Loss rate		Gross carrying amount		Loss allowance	
	2026	2025	2026	2025	2026	2025
	%	%	AED	AED	AED	AED
Not past due	0%	0%	111,759,477	120,593,898	--	--
1-90 days past due	0%	0%	1,290,557	15,778,705	--	--
91-180 days past due	0%	0%	413,325	10,571,594	--	--
181-365 days past due	0%	0%	2,342,302	13,306,662	--	--
<b>Customers with good credit standing</b>					--	--
Over 365 days past due	0%	0%	6,317,176	12,356,423	--	--
<b>Other customers</b>					--	--
Over 365 days past due	100%	100%	666,438	674,411	666,438	674,411
			<b>122,789,275</b>	<b>173,281,693</b>	<b>666,438</b>	<b>674,411</b>

Further, trade receivables aggregating to AED 15,437,339 (at 31 March 2025 AED 14,197,967) do not have exposure to credit risk since these are receivables from related party customers, and therefore, are not considered for computing expected credit losses.

### **Liquidity risk**

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

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

	Less than one year		One to five years		Over five years		Total	
	2026 AED	2025 AED	2026 AED	2025 AED	2026 AED	2025 AED	2026 AED	2025 AED
Borrowings (long-term and short-term)	108,502,418	212,413,165	29,874,486	58,245,340	--	--	138,376,904	270,658,505
Loans from related parties	--	--	--	--	301,587,869	301,587,869	301,587,869	301,587,869
Trade and other payables	72,348,399	87,659,682	--	--	--	--	72,348,399	87,659,682
Lease liabilities	9,468,794	9,082,544	37,143,968	38,880,368	61,287,548	68,716,342	107,900,310	116,679,254
Due to a related a party	18,656,188	24,905,247	--	--	--	--	18,656,188	24,905,247

### Market risk

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

### Currency risk

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

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



# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

	2026 AED	2025 AED
<b>Trade receivables</b>		
- Bahraini dinar	1,009,836	5,129,790
- Euro	15,437,339	--
- British Pound	872,446	--
- Saudi Riyal	18,109,220	43,239,847
<b>Trade payables</b>		
- Euro	7,683	894,804
- Saudi Riyal	163,179	242,820
<b>Cash and bank balances</b>		
- Bahraini dinar	226	207
- Euro	45,594	36,033
- Saudi Riyal	5,329,923	123,859

At the reporting date, if the above-mentioned currencies had been weaker or stronger against the Dirhams by 1%, profit for the year and equity would have been higher or lower by AED 409,754 (at 31 March 2025 AED 496,674).

### **Interest rate risk**

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

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





# JINDAL SAW GULF L.L.C

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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### 36. SIGNIFICANT EVENT DURING THE YEAR

The ongoing geopolitical conflict in the West Asia Region have introduced a degree of uncertainty in the Global and regional environment. The United Arab Emirates may experience indirect impacts arising from these developments. The Company has assessed the potential implications of the situation on its operations and financial performance as at the reporting date.

While there is no material direct impact on the Company's financial statements for the current reporting period, the management continues to closely monitor the situations in the region.

Potential risk that may arise include fluctuations in oil prices, disruptions to supply chain, increased transportation/insurance cost which could have an impact on the Company's operations in the future periods.

For JINDAL SAW GULF L.L.C



AMIT KUMAR  
DIRECTOR



SANDEEP PRAHLADRAI AGARWAL  
DIRECTOR

