

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Financial Statements

31 March 2025

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ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Managing Director's Report

The Managing Director submits his report, together with the audited financial statements of **ZUARI INFRAWORLD S J M PROPERTIES L.L.C** (the "company"), for the year ended 31 March 2025.

Results and appropriations

The results of the company and the appropriations made for the year ended 31 March 2025 are set out on pages 7 and 8 of the financial statements.

In my opinion, the financial statements set out on pages 6 to 27 are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2025 and the financial performance, changes in equity and cash flows of the company for the year then ended in accordance with International Financial Reporting Standards and in compliance with the applicable provisions of the U.A.E. Federal Law No. 32 of 2021.

At the date of the statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Review of the project

The company carried out following activities during the year for the project being developed:

- The company reported net profit of AED 78.35 million for the FY 2024-25 as compared to AED 32.14 million for the previous FY 2023-24. A YOY increase of 144 % for the FY 2024-25.
- The company has managed to sell 230 out of 232 residential units (99%) since the launch of the project and have collected AED 571 million in the ESCROW account towards the project.
- The company has receiving interest income of AED 9.65 million on the project ESCROW account during this financial year.
- The company has successfully completed the Pre-registration of 225 units out of 230 units sold and the remaining units' registration is under process.
- The construction activities commenced on 15th May 2023 and the completion percentage certified by RERA as on 6th May 2025 was 68 %. The project is expected to be completed in the IV quarter of 2025-26
- The company received AED 45.5 million from the project during this financial year which was primarily used to settle the unsecured loans.
- The revised financial forecast including land cost of "Exquisite Living Residences" shows positive and profitable operating and financial performance.
- Key executive management is in place with the company and its parent entities.

Events since the end of the year

There were no important events which have occurred since the year-end that materially affect the company.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C**Managing Director's Report (cont'd)****Owner and its interest**

The Owner at 31 March 2025 and its interests as at that date in the share capital of the company was as under:

	<i><u>Country of Incorporation</u></i>	<i><u>No. of shares</u></i>	<i><u>AED</u></i>
Zuari Infra Middle East Limited	India	<u>300</u>	<u>300,000</u>

Independent auditor

A resolution to re-appoint the auditor and fix the remuneration will be put to the board at the annual general meeting.



Vinay Varma
MANAGING DIRECTOR



INDEPENDENT AUDITOR'S REPORT TO THE OWNER OF ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Report on the Audit of the Financial Statements

Opinion

We have audited the standalone financial statements of **ZUARI INFRAWORLD S J M PROPERTIES L.L.C** (the "company"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the company as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

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 association 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 3 to the financial statements which indicates that the comparative figures have been restated from those which have been reported as at and for the year ended 31 March 2024 and more extensively discuss the reason for the restatement.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and in compliance with the applicable provisions of the U.A.E. Federal Law No. 32 of 2021 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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.

**INDEPENDENT AUDITOR'S REPORT TO THE OWNER OF
ZUARI INFRAWORLD S J M PROPERTIES L.L.C***Auditor's Responsibilities for the Audit of the Financial Statement (cont'd)*

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Further, as required by the U.A.E. Federal Law No. 32 of 2021, we report that for the year ended 31 March 2025:

- 1) We have obtained all the information we considered necessary for the purpose of our audit;
- 2) The financial statements have been prepared and comply, in all material respects, with applicable provisions of the U.A.E. Federal Law No. 32 of 2021;
- 3) The company has maintained proper books of accounts;
- 4) The financial information included in the Managing Director's report is consistent with the books of accounts of the company;

**INDEPENDENT AUDITOR'S REPORT TO THE OWNER OF
ZUARI INFRAWORLD S J M PROPERTIES L.L.C**

Report on Other Legal and Regulatory Requirements (cont'd)

- 5) The company has not purchased or invested in any shares during the financial year ended 31 March 2025;
- 6) Note 22 to the financial statements discloses material related party transactions and the terms under which they were conducted; and
- 7) 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 year ended 31 March 2025 any of the applicable provisions of the U.A.E. Federal Law No. 32 of 2021 or in respect of the company, its Memorandum of Association which would materially affect its activities or its financial position as at 31 March 2025.



Signed by:

C. D. Shah

Partner

Registration No. 677

Shah & Alshamali Associates Chartered Accountants

6 May 2025

Dubai, United Arab Emirates


ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Statement of Financial Position
as at 31 March 2025

	<i>Notes</i>	<i>2025 AED</i>	<i>Restated 2024 AED</i>
ASSETS			
Escrow & retention accounts	6	256,343,271	286,549,967
Cash and cash equivalents	7	5,872,017	4,675,553
Due from related parties	8	6,582,423	2,613,930
Advances & other receivables	9	205,754	311,941
Prepayments		51,009	13,352
Property, plant and equipment	10	540,875	478,320
Investment in joint venture	11	448,270,831	377,324,565
Total assets		<u>717,866,180</u>	<u>671,967,628</u>
LIABILITIES AND EQUITY			
Liabilities			
Contract liabilities	12	259,035,665	291,409,103
Other payables & accruals	13	2,708,631	4,998,927
Unsecured loans	14	2,584,780	11,475,307
Vehicle loan	15	-	181,932
Due to related parties	16	348,398,755	337,769,076
Accounts payable		36,650	-
Staff end of service gratuity	17	726,485	391,438
Income tax provision	21	280,810	-
Total liabilities		<u>613,771,776</u>	<u>646,225,783</u>
Equity			
Owners' funds			
Share capital	18	300,000	300,000
Retained earnings		103,794,404	25,441,845
Equity funds		<u>104,094,404</u>	<u>25,741,845</u>
Total liabilities and equity		<u>717,866,180</u>	<u>671,967,628</u>

The notes on pages 10 to 27 form an integral part of these financial statements.

For and on behalf of the board of directors:



Vinay Varma
MANAGING DIRECTOR



ZUARI INFRAWORLD S J M PROPERTIES L.L.C**Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2025**

	<i>Notes</i>	<i>2025 AED</i>	<i>Restated 2024 AED</i>
Revenue from contract with customer	19	<u>6,807,246</u>	<u>5,241,935</u>
Credit balance written back		-	15,000
Expenditure			
Facility management and development advisory fee		-	(8,000,000)
Managerial remuneration and expenses	22	(1,107,458)	(715,500)
Staff salaries and benefits		(1,528,439)	(1,279,954)
Other administrative expenses		(572,451)	(562,540)
Rent		(110,836)	(46,000)
Depreciation	5	<u>(93,145)</u>	<u>(97,716)</u>
Profit / (loss) from operations		3,394,917	(5,444,775)
Share of profit from a joint venture entity	11	111,168,138	72,077,626
Finance costs	20	<u>(35,929,686)</u>	<u>(34,488,400)</u>
Profit before tax		78,633,369	32,144,451
Income tax expense	21	<u>(280,810)</u>	<u>-</u>
Profit for the year		78,352,559	32,144,451
Other comprehensive income / (loss)		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>78,352,559</u>	<u>32,144,451</u>

The notes on pages 10 to 27 form an integral part of these financial statements.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Statement of Changes in Equity
for the year ended 31 March 2025

	<i>Share capital AED</i>	<i>Retained earnings/ (accumulated losses) AED</i>	<i>Total AED</i>
As at 31 March 2023	300,000	(6,702,606)	(6,402,606)
Loss for the year	-	(39,986,117)	(39,986,117)
Effect of restatement	<u>-</u>	<u>72,130,568</u>	<u>72,130,568</u>
As at 31 March 2024 (Restated)	300,000	25,441,845	25,741,845
Profit for the year	<u>-</u>	<u>78,352,559</u>	<u>78,352,559</u>
As at 31 March 2025	<u>300,000</u>	<u>103,794,404</u>	<u>104,094,404</u>

The notes on pages 10 to 27 form an integral part of these financial statements.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Statement of Cash Flows
for the year ended 31 March 2025

	<i>Notes</i>	2025 AED	Restated 2024 AED
<u>Cash flows from operating activities</u>			
Profit before tax		78,633,369	32,144,451
Adjustments for:			
Depreciation	10	93,145	97,716
Provision for staff end gratuity	17	335,047	66,522
Credit balance written back		-	(15,000)
Finance costs	20	35,929,686	34,488,400
Operating profit before working capital changes		114,991,247	66,782,089
(Increase)/ decrease in advances, other receivables, due from a related party and prepayments		(3,899,963)	(1,658,146)
(Increase)/ decrease in funds in escrow and retention current accounts		30,206,696	(173,393,999)
(Increase) / decrease in contract liabilities		(32,373,438)	178,238,897
Increase/ (decrease) in accounts and other payables		(19,061,575)	4,531,335
Net cash from / (used in) operating activities		89,862,967	74,500,176
<u>Cash flows from investing activities</u>			
Payment for purchase of property, plant and equipment	10	(155,700)	-
Payment of funds towards investment in joint venture		(70,946,266)	(130,474,801)
Net cash from / (used in) investing activities		(71,101,966)	(130,474,801)
<u>Cash flows from financing activities</u>			
Proceeds from/(payment of) funds received from parent company (net)		(3,101,011)	164,803,989
Proceeds from/(payment of) funds received from subsidiary of ultimate parent company		-	(2,669)
Payment of vehicle and term loan		(181,932)	(98,925,342)
Payment of unsecured loans (net)	14	(8,890,527)	(1,500,000)
Finance costs paid		(5,391,067)	(4,401,754)
Net cash from / (used in) financing activities		(17,564,537)	59,974,224
Net increase/ (decrease) in cash and cash equivalents		1,196,464	3,999,599
Cash and cash equivalents at the beginning of the year		4,675,553	675,954
Cash and cash equivalents at the end of the year	7	5,872,017	4,675,553

The notes on pages 10 to 27 form an integral part of these financial statements.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C**Notes to the Financial Statements
for the year ended 31 March 2025****1. Legal status and activity**

ZUARI INFRAWORLD S J M PROPERTIES L.L.C (the “company”) is a limited liability company incorporated in the Emirate of Dubai in accordance with the provisions of Article 218 of the U.A.E. Federal Commercial Companies Law No. 8 of 1984, as amended. The U.A.E. Federal Decree Law No. 32 of 2021 (“Companies Law”) was issued and came into effect on 2 January 2022 which repealed the U.A.E. Federal Law No. 2 of 2015, as amended. The registered address of the company is P.O. Box 27508, Dubai, U.A.E. The company is operating under commercial license no. 690820 with real estate development as its license activity.

The above activity is carried out in the Joint Venture with Burj District Development Ltd which has 100% wholly owned subsidiary owning a plot of land on which “Exquisite Living Residences” project is being developed. Further, in terms of an agreement dated 12 January 2023 the company is entrusted with the task of project management, supervision and successful development of the said project for an agreed fee.

2. Basis of preparation*Statement of compliance*

The financial statements have been prepared under accrual basis of accounting in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable provisions of the U.A.E. Federal Decree Law No. 32 of 2021.

Basis of measurement

The financial statements are prepared on the historical cost basis except investment in joint venture.

Functional and presentation currency

The financial statements are presented in U.A.E. Dirhams (AED), being the functional and presentation currency of the company.

Use of estimates and judgments

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenue, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about the several factors and actual results may differ from reported amounts. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in note 5.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Notes to the Financial Statements
for the year ended 31 March 2025

Basis of preparation (cont'd)

Application of new and revised International Financial Reporting Standards (IFRSs)

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 April 2024, have been adopted in these financial statements. The application of these revised IFRSs, except where stated, have not had any material impact on the amounts reported for the current and prior years.

	Effective for annual periods beginning on or after
Classification of Liabilities as Current or Non-current and Noncurrent liabilities with Covenants – Amendments to IAS 1	1 April 2024
Lease liability in sale and leaseback – Amendments to IFRS 16	1 April 2024

New standards, amendments and interpretations not yet adopted

	Effective for annual periods beginning on or after
Amendments to IAS 21 - Lack of Exchangeability	1 April 2025
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 April 2026
IFRS 18, 'Presentation and Disclosure in Financial Statements'	1 April 2027

The company is currently assessing the impact of these standards and amendments on future financial statements and intends to adopt these, as applicable, when they become effective.

3. Restatement of previously reported results

The financial statements for the year ended 31 March 2024, as initially reported, have been amended and restated, to give effect of share of profit on consolidated financial statements level of the joint venture company instead of standalone financials statements level of the joint venture company. The effect was given to investment in joint venture and its related effect in statement of profit and loss and other comprehensive income.

The effect of the restatement on the statement of financial position as at 31 March 2024 is as follows:

	31 March 2024 As reported (A) AED	As a result of restatement (B) AED	31 March 2024 Restated (A + B) AED
ASSETS			
Escrow & restricted accounts	286,549,967	-	286,549,967
Cash and cash equivalents	4,675,553	-	4,675,553
Account receivable	2,612,097	-	2,612,097
Advances & other receivables	313,774	-	313,774
Prepayments	13,352	-	13,352
Property, plant and equipment	478,320	-	478,320
Investment in joint venture	305,193,997	72,130,568	377,324,565
Total assets	599,837,060	72,130,568	671,967,628

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Notes to the Financial Statements
for the year ended 31 March 2025

Restatement of previously reported results (cont'd)

	31 March 2024 As reported (A) <u>AED</u>	As a result of restatement (B) <u>AED</u>	31 March 2024 Restated (A + B) <u>AED</u>
LIABILITIES AND EQUITY			
Liabilities			
Contract liabilities	291,409,103	-	291,409,103
Other payables & accruals	25,325,021	-	25,325,021
Unsecured loans	33,760,312	-	33,760,312
Vehicle loan	181,932	-	181,932
Due to related parties	295,157,977	-	295,157,977
Staff end of service gratuity	391,438	-	391,438
Total liabilities	<u>646,225,783</u>	<u>-</u>	<u>646,225,783</u>
Equity			
Owners' funds			
Share capital	300,000	-	300,000
(Accumulated losses)/retained earnings	<u>(46,688,723)</u>	<u>72,130,568</u>	<u>25,441,845</u>
Equity (deficit)/funds	<u>(46,388,723)</u>	<u>72,130,568</u>	<u>25,741,845</u>
Total liabilities and equity	<u>599,837,060</u>	<u>72,130,568</u>	<u>671,967,628</u>

The effect of the restatement on the statement of profit or loss and other comprehensive income for the year ended 31 March 2024 is as follows:

	31 March 2024 As reported (A) <u>AED</u>	As a result of restatement (B) <u>AED</u>	31 March 2024 Restated (A + B) <u>AED</u>
Revenue	<u>5,241,935</u>	<u>-</u>	<u>5,241,935</u>
Credit balance written back	15,000	-	15,000
Expenditure			
Facility management and development advisory fee	(8,000,000)	-	(8,000,000)
Managerial remuneration and expenses	(715,500)	-	(715,500)
Staff salaries and benefits	(1,279,954)	-	(1,279,954)
Other administrative expenses	(562,540)	-	(562,540)
Rent	(46,000)	-	(46,000)
Depreciation	(97,716)	-	(97,716)
Finance costs	<u>(34,488,400)</u>	<u>-</u>	<u>(34,488,400)</u>
Total expenditure	<u>(45,190,110)</u>	<u>-</u>	<u>(45,190,110)</u>
Loss for the year	(39,933,175)	-	(39,933,175)
Share of (loss) / profit from a joint venture entity	<u>(52,942)</u>	<u>72,130,568</u>	<u>72,077,626</u>
Net (loss)/profit for the year	<u>(39,986,117)</u>	<u>72,130,568</u>	<u>32,144,451</u>
Other comprehensive income / (loss)	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the year	<u>(39,986,117)</u>	<u>72,130,568</u>	<u>32,144,451</u>

ZUARI INFRAWORLD S J M PROPERTIES L.L.C**Notes to the Financial Statements
for the year ended 31 March 2025****4. Material accounting policy information**

The accounting policies, which are consistent with those used in the previous year in dealing with items that are considered material in relation to the financial statements are as follows:

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual value using straight-line method over their estimated useful lives of 3 to 10 years. The carrying amounts are reviewed at each statement of financial position date to assess whether they are recorded in excess of recoverable amount. Where carrying amount exceeds the recoverable amount, property, plant and equipment are written down to their recoverable amount.

Investment in Joint venture

Joint venture are those entities over whose activities the company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. The investment in joint venture are accounted for using the equity method of accounting. Under the equity method of accounting, investment in joint venture is carried in the statement of financial position at cost, plus post-acquisition changes in the company's share of net assets of the joint venture less any impairment in value, if any. The company determines at each statement of financial position date whether there is any objective evidence that the investment in an joint venture is impaired. If this is the case, the company calculates the amount of impairment as the difference between recoverable amount of the investment and its carrying value and recognize the amount in the statement of profit or loss and other comprehensive income.

Financial instruments

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are derecognized when they are extinguished, cancelled or expired.

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss on the basis of the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The company financial assets comprise financial assets measured at amortized cost comprising accounts and other receivable, and escrow and retention accounts.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C**Notes to the Financial Statements
for the year ended 31 March 2025****Material accounting policy information (cont'd)*****Financial assets (cont'd)****Accounts receivable*

Accounts receivable are stated at original amount less a provision for any uncollectible amounts or loss allowance. Bad debts are written off when there is no possibility of recovery.

Other current financial assets

Other current financial assets represent refundable deposits, due from a related parties and escrow account.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balance in current accounts that is readily convertible to known amount of cash and which is subject to an insignificant risk of changes in value.

Financial liabilities

The company's financial liabilities comprise due to related parties, unsecured loans, accounts payable and accruals and other payables.

Accounts and other payables

Liabilities are recognized for amounts to be paid in the future for services received, whether invoiced or not.

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 recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Income tax

The tax expense or credit for the year comprises current and deferred tax.

Current Tax

The company recognizes income tax expense based on taxable profit for the period. Taxable profit differs from accounting profit due to temporary differences between the accounting treatment of income and expenses and their respective tax bases. The company is subject to Corporate Tax in accordance with the provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the "U.A.E. Corporate Tax Law") and related regulations.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases. Deferred tax assets and liabilities are measured using the tax rates expected to apply when the temporary differences reverse. The company recognizes deferred tax assets only to the extent that it is probable that taxable profits will be available against which these temporary differences can be utilized, in line with the IFRSs and relevant provisions of the U.A.E. Corporate Tax Law.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C**Notes to the Financial Statements
for the year ended 31 March 2025****Material accounting policy information (cont'd)****Contract liabilities**

Contract liabilities are the obligation to transfer goods or services to customers for which the company has received consideration (or an amount of consideration is due) from the customers. If the customers pay consideration before the company transfers goods or services to the customers, contract liabilities are recognized when the payment is made, or the payment is due (whichever is earlier).

Revenue recognition

The company recognizes revenue from contracts with customers based on the five-step model set out in IFRS 15:

- Step 1: Identify the contract(s) with the customer
- Step 2: Identify the performance obligation in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the company satisfies a performance obligation

The company satisfies a performance obligation and recognizes 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 and when 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.

For performance obligations where none of the above conditions are met, revenue is recognized at the point in time at which performance obligation is satisfied.

Management fees

Management fees principally relate to project management services provided in line with the terms of arrangement/ agreement following the accrual basis and is recognized in the period to which the services relate.

Value Added Tax ("VAT")

Expenses and assets are recognized net of the amount of VAT except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the Federal Taxation Authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the Federal Taxation Authority is included as part of receivables or payables in the statement of financial position.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C**Notes to the Financial Statements
for the year ended 31 March 2025****Material accounting policy information (cont'd)****Employee benefits**

An accrual is made for estimated liability for employees' entitlement to annual leave and passage money as a result of services rendered by eligible employees up to the end of the reporting period. Provision is also made for the full amount of end of service gratuity in accordance with the company's policy, which is at least equal to the benefits payable in accordance with U.A.E. Labor Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and passage is classified as a current liability, while the provision relating to end of service gratuity is classified as a non-current liability.

Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that are necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the income statement in the year in which they are incurred.

Foreign currency transactions

Transactions in foreign currencies are converted into U.A.E. Dirhams at the rate of exchange ruling as on date of transaction. Assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the date of statement of financial position. Resulting gain or loss is taken to the statement of profit or loss and other comprehensive income.

5. Significant judgments employed in applying accounting policies and key sources of estimation uncertainty**5.1 Significant judgments employed**

The significant judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as under:

Impairment of non-financial assets

The company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. If any of such indication exists, the company estimates the asset's recoverable amount. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C**Notes to the Financial Statements
for the year ended 31 March 2025****Significant judgments employed in applying accounting policies and key sources of estimation uncertainty (cont'd)****Significant judgments employed (cont'd)****Impairment of accounts and other receivables**

The loss allowance for accounts and other receivables are based on assumptions about risk of default and expected credit loss rates. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Any difference between the amounts actually collected in the future period and the amounts expected, will be recognized in the company's statement of profit or loss and other comprehensive income in that period. As at date of statement of financial position, management believes that the recoverability of its accounts and other receivables are certain, accordingly, no provision is created in the accounts.

5.2 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:

Useful lives of property, plant and equipment

The management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear.

The management periodically reviews estimated useful lives and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Staff end of service gratuity

The company computes provision for the liability to staff end of service gratuity 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.

Income taxes

The company's current tax provision of AED 280,810 (*previous year AED Nil*) relates to management's assessment of tax liabilities on open positions, based on current interpretations of CT Law and applicable guidance.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Notes to the Financial Statements
for the year ended 31 March 2025

6. Escrow & retention accounts

	2025 <u>AED</u>	<i>Restated</i> <i>2024</i> <u>AED</u>
Escrow trust account @	227,703,502	270,705,167
Escrow retention account @	<u>28,639,769</u>	<u>15,844,800</u>
	<u>256,343,271</u>	<u>286,549,967</u>

@ This represents funds received in these accounts towards sales proceeds and other related fees from the customers for and on behalf of a subsidiary of JV company. (refer note 11, 12 and 22).

	2025 <u>AED</u>	<i>Restated</i> <i>2024</i> <u>AED</u>
7. Cash and cash equivalents		
Cash on hand	1,984	2,522
Bank balance in:		
Current accounts	<u>5,870,033</u>	<u>4,673,031</u>
	<u>5,872,017</u>	<u>4,675,553</u>

8. Due from related parties

For services rendered @	6,500,000	2,612,097
On account of funding	<u>82,423</u>	<u>1,833</u>
	<u>6,582,423</u>	<u>2,613,930</u>

@ The company's average credit period is 0-90 days after which account receivable is considered to be past due. Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. As at 31 March 2025 the aging of account receivable is as follows:

	Total <u>AED</u>	0-90 Days <u>AED</u>	91-120 Days <u>AED</u>	121-150 Days <u>AED</u>	151-180 Days <u>AED</u>	181-365 Days <u>AED</u>
2025	6,500,000	1,500,000	500,000	500,000	500,000	3,500,000

	2025 <u>AED</u>	<i>Restated</i> <i>2024</i> <u>AED</u>
9. Advances & other receivables		
Advance to service providers	170,705	67,220
Refundable deposits	38,500	246,486
Staff advances #	14,949	11,390
VAT receivable	-	5,245
Allowance for impairment	<u>(18,400)</u>	<u>(18,400)</u>
	<u>205,754</u>	<u>311,941</u>

Includes AED 371 (previous year AED nil) receivable from a related party.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Notes to the Financial Statements
for the year ended 31 March 2025

10. Property, plant and equipment

	<i>Office equipment AED</i>	<i>Vehicles AED</i>	<i>Total AED</i>
Cost			
As at 01.04.2024	124,590	730,766	855,356
Addition during the year	5,700	150,000	155,700
As at 31.03.2025	<u>130,290</u>	<u>880,766</u>	<u>1,011,056</u>
Accumulated depreciation			
As at 01.04.2024	120,767	256,269	377,036
Charge for the year	2,426	90,719	93,145
As at 31.03.2025	<u>123,193</u>	<u>346,988</u>	<u>470,181</u>
Net book value			
As at 31.03.2025	<u>7,097</u>	<u>533,778</u>	<u>540,875</u>
As at 31.03.2024	<u>3,823</u>	<u>474,497</u>	<u>478,320</u>

11. Investment in joint venture

	<i>% of beneficial Ownership</i>	<i>2025 AED</i>	<i>Restated 2024 AED</i>
Issued and paid up:			
Burj District Development Ltd, Cayman Islands. (25000 class B shares of US\$ 1 each) (A)	50%	<u>91,813</u>	<u>-</u>

This represents 50% investment in the paid-up share capital of Burj District Development Ltd ("JV Company"), Cayman Islands as per JV agreement. The joint venture is formed to carry out any activities which is not prohibited by the Companies Law (2011 revision) of Cayman Islands.

The JV Company has not opened bank account(s) and hence the share capital amount is contributed in its wholly owned subsidiary during the year. The JV Company hold 1 share in Burj District One Limited, a wholly owned, which is a Jebel Ali Offshore Company, Dubai, U.A.E. This subsidiary owns a plot of land on which the project "Exquisite Living Residencies" is being managed, supervised and developed by the company. In terms of an agreement between JV partners, the company is committed to contribute AED 165,000,000 towards the seed capital. Out of this amount the company has contributed AED 164,604,702 till 31 March 2025. Balance of AED 395,298 will be contributed before the end of the next financial year. Additionally, the company has incurred / capitalised AED 145,904,780 towards the cost of contributing the seed capital.

	<i>2025 AED</i>	<i>Restated 2024 AED</i>
Opening balance	377,324,565	-
Transferred from development work in progress	-	225,399,764
Transferred from advance against project development	-	21,450,000
Net addition	5,262,674	58,397,175
Priority withdrawal @	(21,000,000)	-
Surplus distribution *	(24,576,359)	-
Share of profit of Joint venture	<u>111,168,138</u>	<u>72,077,626</u>
Closing balance (B)	<u>448,179,018</u>	<u>377,324,565</u>
Total investment in joint venture (A+B)	<u>448,270,831</u>	<u>377,324,565</u>

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Notes to the Financial Statements
for the year ended 31 March 2025

Investment in joint venture (cont'd)

@ Paid as per the JV agreement.

* Paid as per resolution dated 12 December 2024.

The company's interest in JV company is accounted for using an equity as per management accounts as at 31 March 2025 are as under:

	<i>2025</i> <i>AED</i>	<i>Restated</i> <i>2024</i> <i>AED</i>
Joint venture entity's statement of financial position		
Assets	681,237,454	525,248,545
Liabilities	<u>(101,110,320)</u>	<u>(102,566,981)</u>
Equity funds	<u>580,127,134</u>	<u>422,681,564</u>
Company's 50% share of net assets	<u>290,063,567</u>	<u>211,340,782</u>
Joint venture entity's results of operations		
Revenue	496,703,163	351,796,867
Expenses	<u>(274,366,888)</u>	<u>(207,410,274)</u>
Profit for the year	<u>222,336,275</u>	<u>144,386,593</u>
Company's 50% share of results for the year	<u>111,168,138</u>	<u>72,193,297</u>

12. Contract liabilities

This represents funds received in Escrow and current account in the name of the company towards sales proceeds from the customers on account of sales of residential units by appointed marketing partner. The funds are received for and on behalf of a subsidiary of JV company.

	<i>2025</i> <i>AED</i>	<i>Restated</i> <i>2024</i> <i>AED</i>
13. Other payables & accruals		
Interest payable on unsecured loans	69,503	4,735,131
Salaries payable #	-	141,225
VAT payable	-	114,046
Customer refund	1,714,596	-
Interest on vehicle loan	-	1,135
Noqodi fee payable	899,808	-
Other accruals	<u>24,724</u>	<u>7,390</u>
	<u>2,708,631</u>	<u>4,998,927</u>

Includes AED nil (previous year AED 86,300) payable to related parties.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Notes to the Financial Statements
for the year ended 31 March 2025

14. Unsecured loans

This represents unsecured and 8 % per annum (previous year 8 to 12%) interest bearing loan availed from a non-related party which are repayable within a period of 3 years.

	2025 <u>AED</u>	<i>Restated</i> 2024 <u>AED</u>
15. Vehicle loan		
Less than 1 year	-	111,264
More than 1 year	-	70,668
	<u>-</u>	<u>181,932</u>

16. Due to related parties

Zuari Infraworld India Limited @	8,000,000	8,251,413
Zuari Infra Middle East Limited #	323,109,757	294,906,564
Management fees payable - Parent Company	9,740,000	9,740,000
Loan payable to Indian Furniture Products Limited %	130,923	130,923
Loan payable to Globalware Trading & Holdings Ltd *	5,249,472	7,260,000
Loan payable to Akshay Poddar !	-	14,894,082
Payable to Acumen insight DMCC	150,000	105,000
Interest on loans	68,603	1,281,094
Payable to key managerial personnel	1,950,000	1,200,000
	<u>348,398,755</u>	<u>337,769,076</u>

@ Represents payable for Facility management and development advisory fee to Subsidiary of ultimate parent company

This represents 0 to 12.5% (previous year 12.5 to 15%) per annum interest bearing funds advanced by the parent company to meet with the company's project development costs without any fixed repayment schedule.

% This represents unsecured and non-interest-bearing loan availed from a related party which are repayable within a period of 3 years.

* This represents unsecured, and 9 % p.a. loan availed from a related party which are repayable within a period of 3 years

! Repaid fully during the year.

	2025 <u>AED</u>	<i>Restated</i> 2024 <u>AED</u>
17. Staff end of service gratuity		
As at 1 April	391,438	324,916
Provision created during the year	335,047	66,522
As at 31 March @	<u>726,485</u>	<u>391,438</u>

@ Includes AED 534,435 (previous year AED 262,777) payable to related parties.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Notes to the Financial Statements
for the year ended 31 March 2025

	<i>2025</i> <i>AED</i>	<i>Restated</i> <i>2024</i> <i>AED</i>
18. Share capital		
Authorized, issued and paid up:		
300 shares of AED 1,000 each	<u>300,000</u>	<u>300,000</u>
19. Revenue from contract with customer		
This represents management fees on account of property development agreement entered with subsidiary of Joint venture entity.		
	<i>2025</i> <i>AED</i>	<i>Restated</i> <i>2024</i> <i>AED</i>
20. Finance costs		
Interest on bank loan	-	530,057
Interest on unsecured loans	4,609,936	1,820,642
Interest on vehicle loan	6,430	15,753
Interest on loan from parent company	31,304,203	30,580,605
Loan processing fees and other charges	9,117	1,541,343
	<u>35,929,686</u>	<u>34,488,400</u>
21. Income tax expense		

On 9 December 2022, the U.A.E. Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the U.A.E. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the company's accounting year ends on 31 March, the first tax period will be the period from 1 April 2024 to 31 March 2025, with the respective tax return to be filed on or before 31 December 2025. The taxable income of the company that are in scope for U.A.E. CT purposes will be subject to the rate of 9% Corporate Tax for mainland entities.

The tax expenses for the year ended 31 March 2025 is AED 280,810 (*previous year AED Nil*), representing an Effective Tax Rate ("ETR") of 0.36% (*previous year Nil*).

The component of income tax expense in the statement of profit or loss and other comprehensive income:

	<i>2025</i> <i>AED</i>
<i>Income tax expense</i>	
Current income tax expense	(280,810)
<i>Deferred tax</i>	
Deferred income tax expense relating to origination and reversal of temporary differences	-
Income tax expense reported in the statement of profit or loss and other comprehensive income	<u>(280,810)</u>

ZUARI INFRAWORLD S J M PROPERTIES L.L.C**Notes to the Financial Statements
for the year ended 31 March 2025****Income tax expense (cont'd)**

The reconciliation of current income tax expense and accounting profit is as follows:

	2025
	AED
Accounting profit for the year before tax	<u>78,633,369</u>
Income tax at U.A.E. statutory rate of 9%	7,077,003
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:	
Exempt income	(10,005,132)
Non-deductible expenses	3,242,689
Adjustments for income up to AED 375,000*	<u>(33,750)</u>
Income tax expense	<u>280,810</u>
Effective Tax Rate	<u>0.36%</u>

**As per the U.A.E. CT Law, the maximum standard deduction applicable for the company is AED 375,000. The standard deduction applicable for the company amounts to AED 375,000 on which tax rate at 9% amounts to AED 33,750.*

For the purpose of determining income tax expense for the year, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices. The company has not identified any material risks or uncertainties in the structure from a Corporate Tax perspective and will continuously monitor further developments that could impact the tax profile of the company.

22. Related party transactions and balances

The company enters into transactions with parties that fall within the definition of a related party as contained in International Accounting Standard-24: Related Party Disclosures. The related parties with whom the company had significant transactions during the year and have year-end balances are as under:

Ultimate parent company

Zuari Industries Ltd, India

Subsidiary of ultimate parent company

Zuari Infraworld India Limited, India

Step down subsidiary of ultimate parent company and the parent company

Zuari Infra Middle East Limited, U.A.E.

Related party of ultimate parent company

Indian Furniture Products Limited, India.

Acumen insight DMCC, U.A.E.

Globalware Trading & Holdings Ltd, U.A.E.

(Wholly owned by Mr. Akshay Poddar)

Joint venture

Burj District Development Ltd, Cayman Islands

Party to joint venture

East & West International Group – Sole Proprietorship L.L.C., U.A.E.

East & West Properties L.L.C - U.A.E.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Notes to the Financial Statements
for the year ended 31 March 2025

Related party transactions and balances (cont'd)

Subsidiary of joint venture

Burj District One Limited, U.A.E.

Key managerial personnels

Vinay Varma

Akshay Poddar

Alok Banerjee

Venkatesan Subramanian

The significant transactions with related parties during the year were as under:

		<i>Joint venture & parties to JV AED Dr/(Cr)</i>	<i>Subsidiary of UPC AED Dr/(Cr)</i>	<i>Step down subsidiary of UPC AED Dr/(Cr)</i>	<i>Subsidiary of joint venture AED Dr/(Cr)</i>	<i>Key Managerial personnels AED Dr/(Cr)</i>	<i>Related party of UPC AED Dr/(Cr)</i>	<i>Total AED Dr/(Cr)</i>
Transactions:								
Interest expenses	2025	-	-	31,304,203	-	1,145,824	737,255	33,187,282
	2024	-	-	30,580,605	-	672,070	327,595	31,580,270
Facility & Advisory fee	2025	-	-	-	-	-	-	-
	2024	-	8,000,000	-	-	-	-	8,000,000
Business facilitation fees	2025	-	-	-	-	-	37,500	37,500
	2024	-	-	-	-	-	100,000	100,000
Revenue from contract with customer	2025	-	-	-	(6,807,246)	-	-	(6,807,246)
	2024	-	-	-	(5,241,935)	-	-	(5,241,935)
Managerial remuneration and expenses	2025	-	-	-	-	888,000	-	888,000
	2024	-	-	-	-	690,000	-	690,000
Salary and benefits	2025	-	-	-	-	396,000	-	396,000
	2024	-	-	-	-	345,600	-	345,600
Share of profit from a joint venture entity	2025	(111,168,138)	-	-	-	-	-	(111,168,138)
	2024	(72,077,626)	-	-	-	-	-	(72,077,626)
Staff end of service gratuity	2025	-	-	-	-	271,658	-	271,658
	2024	-	-	-	-	39,900	-	39,900
Contract liabilities	2025	-	-	-	(32,373,438)	(750,000)	-	(33,123,438)
	2024	-	-	-	(178,238,897)	(1,200,000)	-	(179,438,897)
Priority withdrawal & Surplus distribution	2025	45,576,359	-	-	-	-	-	45,576,359
	2024	-	-	-	-	-	-	-
Purchase of vehicle	2025	-	-	-	-	-	150,000	150,000
	2024	-	-	-	-	-	-	-
Investment	2025	5,354,487	-	-	-	-	-	5,354,487
	2024	305,246,939	-	-	-	-	-	305,246,939
Loan / Interest (repayment)	2025	-	(251,453)	(3,101,011)	-	-	(5,538,528)	(8,890,992)
	2024	(128,689)	-	(844,895)	-	-	(1,500,000)	(2,473,584)
Loan availed	2025	80,590	-	-	-	-	2,531,753	2,612,343
	2024	130,522	-	165,648,885	-	-	-	165,779,407

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Notes to the Financial Statements
for the year ended 31 March 2025

Related party transactions and balances (cont'd)

The company receives funds from and provide to with or without interest from/to related parties as and when required to meet with its project funding requirements. The related parties have given corporate guarantee in favor of bank against facilities availed by the company. At the date of statement of financial position, balances with related parties were as follows:

		<i>Subsidiary of UPC AED Dr/(Cr)</i>	<i>Step down subsidiary of UPC AED Dr/(Cr)</i>	<i>Related party of UPC AED Dr/(Cr)</i>	<i>Party to joint venture AED Dr/(Cr)</i>	<i>Subsidiary of joint venture AED Dr/(Cr)</i>	<i>Key Managerial personnels AED Dr/(Cr)</i>	<i>Total AED Dr/(Cr)</i>
Balances :								
Advance	2025	-	-	-	-	-	371	371
	2024	-	-	-	-	-	-	-
Investment	2025	-	-	-	-	448,270,831	-	448,270,831
	2024	-	-	-	-	377,324,565	-	377,324,565
Due from related parties	2025	-	-	-	82,423	6,500,000	-	6,582,423
	2024	-	-	-	1,833	2,612,097	-	2,613,930
Interest payable	2025	-	-	(68,603)	-	-	-	(68,603)
	2024	-	-	(609,024)	-	-	(672,070)	(1,281,094)
Salaries payable	2025	-	-	-	-	-	-	-
	2024	-	-	-	-	-	(86,300)	(86,300)
Payable to KMP	2025	-	-	-	-	-	(1,950,000)	(1,950,000)
	2024	-	-	-	-	-	(1,200,000)	(1,200,000)
Unsecured loans	2025	-	-	(5,380,395)	-	-	-	(5,380,395)
	2024	-	-	(7,390,923)	-	-	(14,894,082)	(22,285,005)
Escrow & restricted accounts	2025	-	-	-	-	256,343,271	-	256,343,271
	2024	-	-	-	-	286,549,967	-	286,549,967
Contract liabilities	2025	-	-	-	-	(259,035,665)	-	(259,035,665)
	2024	-	-	-	-	(291,409,103)	-	(291,409,103)
Funding balance	2025		(323,109,757)	-	-	-	-	(323,109,757)
	2024	(251,413)	(294,906,564)	-	-	-	-	(295,157,977)
Management fees	2025	-	(9,740,000)	-	-	-	-	(9,740,000)
	2024	-	(9,740,000)	-	-	-	-	(9,740,000)
Other payable /Business facilitation fees	2025	-	-	(150,000)	-	-	-	(150,000)
	2024	-	-	(105,000)	-	-	-	(105,000)
Facility and advisory fees	2025	(8,000,000)	-	-	-	-	-	(8,000,000)
	2024	(8,000,000)	-	-	-	-	-	(8,000,000)
Staff end of service gratuity	2025	-	-	-	-	-	(534,435)	(534,435)
	2024	-	-	-	-	-	(262,777)	(262,777)

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Notes to the Financial Statements
for the year ended 31 March 2025

23. Capital risk management

The company manages its capital to ensure that the concern will be able to continue as a going concern while maximizing the return to the parent shareholder company through optimization of the debt and equity balance. The capital structure of the company comprises net debt (interest bearing borrowings offset by cash and bank balances) and equity (comprising share capital and retained earnings).

24. Financial instruments: Credit, liquidity and market risk exposure

Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk comprise principally of account and other receivables and bank balance in current and escrow accounts. The company's bank balance in current and restricted escrow accounts is placed with a high credit quality financial institutions. There are no significant concentrations of credit risk from receivables outside the industry in which the company operates. Due from related parties are not perceived as credit risk.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the management and parent companies who ensures that sufficient funds are made available to the company to meet its commitments as they fall due.

Although short term payables are perceived as a liquidity risk, adequate steps are taken by the management and the parent companies to timely meet with the funding requirements.

The following are the contractual maturities of the company's financial liabilities as of 31 March 2025:

	<i>Carrying amounts AED</i>	<i>Payable within next 12 months AED</i>	<i>Payable within 1 to 5 years AED</i>
Accruals, accounts and other payables	2,745,281	2,745,281	-
Unsecured loans	2,584,780	-	2,584,780
Due to related parties	<u>348,398,755</u>	<u>2,168,603</u>	<u>346,230,152</u>
	<u>353,728,816</u>	<u>4,913,884</u>	<u>348,814,932</u>

Market risk

Market risk is a risk that changes in market prices, such as interest rate risk and currency risk, will affect the company's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Loan from a parent company and unsecured loan are at fixed rate of interest.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C**Notes to the Financial Statements
for the year ended 31 March 2025****Financial instruments: Credit, liquidity and market risk exposure (cont'd)***Currency risk*

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the U.A.E. Dirham rate is fixed.

25. Financial instruments: Fair values

The fair values of the company's financial assets, comprising, due from related parties, other receivables and cash and cash equivalents and financial liabilities, comprising, due to related parties, unsecured and vehicle loan, accruals, account and other payables, are approximate to their carrying values.

26. Contingent liabilities

There were no contingent liabilities outstanding as at the date of the statement of financial position.

27. Capital commitments

- In terms of JV agreement, the company is acting as a custodian /agent of the subsidiary of JV company which is entrusted with the task of project management, supervision and successful development of the said project for an agreed fee.
- All the contracts and their related payments in relation to the above activities are entered into the name of the company.

Consequently, all the commitments regarding ongoing projects are disclosed in the subsidiary of JV company.

28. Comparative figures

The comparative information has been restated (*refer note 3*) and regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year.

29. Approval of the financial statements

To the best of the knowledge of the management and those charged with governance, the financial statements fairly present, in all material respects, the financial position, financial performance and cash flows of the company as of, and for the year ended 31 March 2025.

The financial statements were approved by the board of directors and authorised Mr. Vinay Varma to sign on behalf of the board on 6 May 2025.