

ZUARI INFRA MIDDLE EAST LIMITED

Financial Statements

31 March 2025

ZUARI INFRA MIDDLE EAST LIMITED

Financial Statements
31 March 2025

<u>CONTENTS</u>	<u>PAGES</u>
Directors' Report	1
Independent Auditor's Report	2 – 3
Statement of Financial Position	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 – 20

ZUARI INFRA MIDDLE EAST LIMITED
Directors' Report

The Directors submit their report, together with the audited financial statements of **ZUARI INFRAMIDDLE EAST LIMITED** (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 5 and 6 of the financial statements.

In our opinion, the financial statements set out on pages 4 to 20 are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2025, 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 the provisions of Jebel Ali Free Zone Authority.

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 business

The company continues to receive funds from the parent company and provide funds for residential real estate development project being managed by the subsidiary company on which interest income is earned during the year.

Events since the end of the year

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

Shareholder and its interest

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

	<u>No. of shares</u>	<u>AED</u>
Zuari Infracore India Limited, India	<u>10,000</u>	<u>10,000</u>

Directors

The directors who served during the year were as follows:

- Vinay Varma
- Venkatesan Subramanian

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
DIRECTOR



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ZUARI INFRA MIDDLE EAST LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ZUARI INFRA MIDDLE EAST LIMITED** (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 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 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 and the Jebel Ali Free Zone Authority, 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.

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 regulations issued by the Jebel Ali Free Zone Authority 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ZUARI INFRA MIDDLE EAST LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- 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

Also, in our opinion, proper books of account have been kept by the company and the information contained in the Directors' Report relating to these financial statements is in agreement with the books of accounts. According to the information available to us, there were no violations of the laws of Jebel Ali Free Zone Authority Offshore Companies Regulations or the Articles of Association of the company which would have had a material effect on the business of the company or on its financial performance.

Signed by:
C. D. Shah

Partner

Registration No. 677

Shah & Alshamali Associates Chartered Accountants

6 May 2025

Dubai, United Arab Emirates




ZUARI INFRA MIDDLE EAST LIMITED

Statement of Financial Position
as at 31 March 2025

	<i>Notes</i>	2025 AED	2024 AED
ASSETS			
Cash and cash equivalents	5	2,632	3,155
Account receivable	6	9,740,000	9,740,000
Due from a subsidiary	7	323,109,756	294,906,564
Investment in a subsidiary	8	2,147,000	2,147,000
Deferred tax asset	15	5,631	-
Property, plant and equipment	9	-	-
Total assets		<u>335,005,019</u>	<u>306,796,719</u>
LIABILITIES AND EQUITY			
Liabilities			
Accounts payable		-	1,200,000
Accruals		14,611	6,300
Due to parent shareholder company	10	9,431,081	11,278,360
Loan from parent shareholder company	11	334,508,113	301,659,542
Total liabilities		<u>343,953,805</u>	<u>314,144,202</u>
Equity			
Shareholder's funds			
Share capital	12	10,000	10,000
Accumulated losses		(8,958,786)	(7,357,483)
Equity deficit		<u>(8,948,786)</u>	<u>(7,347,483)</u>
Total liabilities and equity		<u>335,005,019</u>	<u>306,796,719</u>

The notes on pages 8 to 20 form an integral part of these financial statements.

For and on behalf of the board of directors,


Vinay Varma
DIRECTOR



ZUARI INFRA MIDDLE EAST LIMITED**Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2025**

	<i>Notes</i>	<i>2025 AED</i>	<i>2024 AED</i>
Revenue	13	<u>31,304,316</u>	<u>30,580,793</u>
Expenditure			
Management fees		-	(1,326,720)
Legal and professional fees		(60,890)	(35,725)
Other administrative expenses		(1,152)	(3,121)
Foreign exchange loss		-	(8,922,454)
Finance costs (net)	14	(32,849,208)	(36,307,208)
Total expenditure		<u>(32,911,250)</u>	<u>(46,595,228)</u>
Loss before tax		(1,606,934)	(16,014,435)
Income tax benefit	15	<u>5,631</u>	<u>-</u>
Loss for the year		(1,601,303)	(16,014,435)
Other comprehensive income / (loss)		<u>-</u>	<u>-</u>
Total comprehensive loss for the year, net of tax		<u>(1,601,303)</u>	<u>(16,014,435)</u>

The notes on pages 8 to 20 form an integral part of these financial statements.

ZUARI INFRA MIDDLE EAST LIMITED

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	10,000	8,656,952	8,666,952
Loss for the year	-	(16,014,435)	(16,014,435)
As at 31 March 2024	10,000	(7,357,483)	(7,347,483)
Loss for the year	-	(1,601,303)	(1,601,303)
As at 31 March 2025	<u>10,000</u>	<u>(8,958,786)</u>	<u>(8,948,786)</u>

The notes on pages 8 to 20 form an integral part of these financial statements.

ZUARI INFRA MIDDLE EAST LIMITED

Statement of Cash Flows
for the year ended 31 March 2025

	<i>Notes</i>	<i>2025 AED</i>	<i>2024 AED</i>
<u>Cash flows from operating activities</u>			
Loss before tax		(1,606,934)	(16,014,435)
Adjustments for:			
Finance costs (net)	14	32,849,208	36,307,208
Interest income from a subsidiary	13	(31,304,203)	(30,580,605)
Exchange loss		-	8,922,454
Operating loss before working capital changes		(61,929)	(1,365,378)
(Increase)/ decrease in other receivables		-	3,965
Increase/(decrease) in accounts payable and accruals		8,311	(2,670)
Net cash from / (used in) operating activities		<u>(53,618)</u>	<u>(1,364,083)</u>
<u>Cash flow from investing activity</u>			
Payment for investment in subsidiary	8	(1,200,000)	(800,000)
Net cash from/ (used in) investing activity		<u>(1,200,000)</u>	<u>(800,000)</u>
<u>Cash flows from financing activities</u>			
Funds received from / (due to) parent shareholder company		(1,847,279)	2,572,082
Funds received from /(paid to) subsidiary		3,101,011	(164,803,989)
Finance costs paid (net)		(637)	(767)
Proceeds from loan from parent shareholder company		-	159,681,162
Net cash from / (used in) financing activities		<u>1,253,095</u>	<u>(2,551,512)</u>
Net increase/ (decrease) cash and cash equivalents		(523)	(4,715,595)
Cash and cash equivalents at the beginning of the year		<u>3,155</u>	<u>4,718,750</u>
Cash and cash equivalents at the end of the year	5	<u><u>2,632</u></u>	<u><u>3,155</u></u>

The notes on pages 8 to 20 form an integral part of these financial statements.

ZUARI INFRA MIDDLE EAST LIMITED**Notes to the Financial Statements
for the year ended 31 March 2025****1. Legal status and activities**

ZUARI INFRA MIDDLE EAST LIMITED (the “company”) is a private limited liability international company incorporated under the Jebel Ali Free Zone Offshore Companies Regulations of 2003 with Zuari Infracore India Limited, India as its sole shareholder (Parent company).

The registered address of the company is P.O. box 114429, Dubai, United Arab Emirates. The operating and administrative activities are carried out from a premise of a wholly owned subsidiary.

The ultimate parent company is Zuari Industries Ltd, India, an entity incorporated under the law of India.

The company is engaged in providing management and financial support to its wholly owned subsidiary which is engaged in managing a residential real estate project in Burj District, Emirate of Dubai, U.A.E. The development project is expected to be completed by 2025-26.

2. Basis of preparation

These financial statements contain information about the company as an individual company and do not contain consolidated financial information as the parent of a group.

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) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable requirements of Jebel Ali Free Zone Authority.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Functional and presentation currency

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

Use of estimates and judgements

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 4.

ZUARI INFRA MIDDLE EAST LIMITED**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
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	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
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	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. Material accounting policy information

The material 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 stated at cost together with any related expenses of acquisition or less accumulated depreciation and impairment if any. Depreciation is charged using the straight-line method whereby the cost of an asset is depreciated over its estimated useful life of three years.

Investment in a subsidiary

Subsidiaries are the entities over which the company has the power to govern the financial and operating policies. Investment in a subsidiary is accounted for at cost less provision for impairment in value of the investments, if any. Dividend income is recognized in the statement of profit or loss and other comprehensive income when dividend is declared by the subsidiary out of the profits made subsequent to the date of acquisition.

ZUARI INFRA MIDDLE EAST LIMITED**Notes to the Financial Statements
for the year ended 31 March 2025****Material accounting policy information (cont'd)****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's financial assets include financial assets measured at amortized cost comprising account receivable, due from a subsidiary and bank balance.

Account receivable

Account receivable is stated at original invoice amount less provision for any uncollectible amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable and provided for in the accounts. Bad debts are written off as they arise.

Cash and cash equivalents

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

Financial liabilities

The company's financial liabilities include loan from parent shareholder company, due to parent shareholder company and accounts 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 taxes***Current income tax***

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax law used to compute the amount is the one that is enacted or substantively enacted, at the reporting date, in U. A. E. where the company operates and generates taxable income.

ZUARI INFRA MIDDLE EAST LIMITED

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

Material accounting policy information (cont'd)**Income taxes (cont'd)***Current income tax (cont'd)*

Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

ZUARI INFRA MIDDLE EAST LIMITED**Notes to the Financial Statements
for the year ended 31 March 2025****Material accounting policy information (cont'd)****Income taxes (cont'd)***Deferred tax (cont'd)*

The company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value added tax

Expenses and assets are recognized net of the amount of value added tax, except:

- When the value added tax 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 value added tax included.

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

Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is reduced for estimated returns, rebates and other similar allowances.

Interest income

Revenue from interest income is recognized on a time-proportion basis using the effective interest method.

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. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Borrowing costs

Borrowing costs as incurred and directly attributable to the project development and on behalf of related entities are recharged to the respective entities.

ZUARI INFRA MIDDLE EAST LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2025***Material accounting policy information (cont'd)****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.

4. Significant judgments employed in applying accounting policies and key sources of estimation uncertainty**4.1 Significant judgments employed**

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

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 which is the higher of fair value less costs to sell and value in use. 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. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

4.2 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:

Impairment of accounts receivable

An estimation of the collectible amount of accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision is applied according to the length of past time due, based on anticipated recovery rates.

Impairment of other receivables

Management regularly undertakes a review of the amounts of other receivables and assess the likelihood of non-recovery. Such assessment is based upon the age of the debt, historic recovery rates and assessed credit worthiness of the receivable. Based on the assessment assumptions are made as to the level of provisioning required.

ZUARI INFRA MIDDLE EAST LIMITED**Notes to the Financial Statements
for the year ended 31 March 2025****Key sources of estimation uncertainty (cont'd)****Income taxes**

The company's current tax provision of AED Nil (*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.

5. Cash and cash equivalents

This represents balance in current accounts with a bank.

6. Account receivable

This represents management consultancy fees receivable from the company's wholly owned subsidiary as per terms of arrangement/ agreement.

The company's average credit period is 0-180 days after which receivable is considered to be past due. As at 31 March 2025, the aging of a receivable is as follows:

	Total AED	> 5 years AED
2025	9,740,000	9,740,000
Provision	-	-
Net of provision	9,740,000	9,740,000

The outstanding balance will be adjusted on completion of the project during the financial year 2025-26.

7. Due from a subsidiary

This represents 0 to 12.5 % per annum interest bearing funds advanced to a subsidiary company without any fixed repayment schedule.

8. Investment in a subsidiary

<u>Name of subsidiary</u>	<u>Country of incorporation</u>	<u>% of Ownership</u>	<u>2025 AED</u>	<u>2024 AED</u>
Zuari Infracore S J M Properties L.L.C.	U.A.E.	100	<u>2,147,000</u>	<u>2,147,000</u>
Share of net book value			<u>104,094,404</u>	<u>25,741,845</u>

The subsidiary company is engaged in management of long term real estate development project which is expected to be completed by the year 2025-26.

As per the project profitability statement prepared by the management of the subsidiary company, the project is estimated to earn positive cash flow and profits and thus no impairment is considered necessary.

ZUARI INFRA MIDDLE EAST LIMITED

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

9. Property, plant and equipment		<i>Office equipment AED</i>
Cost		
As at 01.04.2024		<u>3,226</u>
As at 31.03.2025		<u>3,226</u>
Accumulated depreciation		
As at 01.04.2024		<u>3,226</u>
As at 31.03.2025		<u>3,226</u>
Net book value		
As at 31.03.2025		<u>-</u>
As at 31.03.2024		<u>-</u>
10. Due to parent shareholder company		
This represents non-interest bearing amount payable on account of management fees, guarantee commission, finance charges and related expenses.		
11. Loan from parent shareholder company		
This represents unsecured and 12.5 % per annum interest bearing loan from Zuari Infracore India Limited which is repayable not later than six years from drawdown.		
	<i>2025 AED</i>	<i>2024 AED</i>
12. Share capital		
Authorized, issued and paid up:		
10,000 shares of AED 1 each	<u>10,000</u>	<u>10,000</u>
13. Revenue		
Interest income from a subsidiary	31,304,203	30,580,605
Interest income from bank	113	188
	<u>31,304,316</u>	<u>30,580,793</u>
14. Finance costs (net)		
Finance charges and related fees	-	<u>1,480,391</u>
	-	<u>1,480,391</u>
Less: Recharged to the subsidiary company	-	<u>(1,480,391)</u>
	-	-
Interest on loan from parent shareholder company	32,848,571	36,306,441
Bank charges	637	767
	<u>32,849,208</u>	<u>36,307,208</u>

ZUARI INFRA MIDDLE EAST LIMITED**Notes to the Financial Statements
for the year ended 31 March 2025****15. Income tax expense and deferred tax**

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 benefit for the year ended 31 March 2025 is AED 5,631 (*previous year Nil*), representing an Effective Tax Rate ("ETR") of (0.35%) (*previous year Nil*).

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

	2025 AED
<i>Income tax expense</i>	
Current income tax expense	-
<i>Deferred tax</i>	
Deferred income tax expense relating to origination and reversal of temporary differences	<u>5,631</u>
Income tax expense reported in the statement of profit or loss and other comprehensive income	<u>5,631</u>

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

	2025 AED
Accounting loss for the year before tax	<u>(1,606,934)</u>
Income tax at U.A.E. statutory rate of 9%	(144,624)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:	
Exempt income	138,993
Non-deductible expenses	-
Adjustments for income up to AED 375,000*	-
Income tax expense/(benefit)	<u>(5,631)</u>
Effective Tax Rate	<u>(0.35%)</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.

ZUARI INFRA MIDDLE EAST LIMITED**Notes to the Financial Statements
for the year ended 31 March 2025****Income tax expense and deferred tax (cont'd)**

For the purpose of determining income tax expense for the year, the accounting loss 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.

As per IAS 12 and in accordance with U.A.E. CT Law, the company has recognized a deferred tax asset arising from tax loss carryforwards that can be utilized to offset future taxable profits. These tax losses can be carried forward indefinitely and used to offset up to 75% of the taxable income in future periods. Based on management's assessment, it is probable that the company will generate sufficient future taxable profits to utilize the deferred tax asset. Consequently, a deferred tax asset of AED 5,631 has been recognized in the financial statements. The company will continue to assess the recoverability of the deferred tax asset at each reporting date and make necessary adjustments based on future taxable profits and any changes in ownership or business operations.

16. Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern while maximizing the return to the shareholder through optimization of the debt and equity balance. The capital structure of the company comprises net debt (comprising interest bearing loans less cash and cash equivalents) and equity (comprising share capital and (accumulated losses)).

17. 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:

- Zuari Industries Limited, India – *Ultimate parent company*
- Zuari Infraworld India Limited, India – *Parent shareholder company*
- Zuari Infraworld S J M Properties L.L.C, U.A.E. – *Subsidiary company*
- Dubai Holding LLC, U.A.E. – *One of the partners of a subsidiary company*

The company receives/provides funds with or without interest from/to related parties as and when required to meet with its subsidiary company's project funding requirements. Significant transactions with related parties during the year were as under:

ZUARI INFRA MIDDLE EAST LIMITED

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

Related party transactions and balances (cont'd)

		<i>Parent shareholder company AED Dr/(Cr)</i>	<i>Subsidiary company AED Dr/(Cr)</i>	<i>Partner of a subsidiary company AED Dr/(Cr)</i>	<i>Total AED Dr/(Cr)</i>
<u>Transactions:</u>					
Management fee expense	2025	-	-	-	-
	2024	1,326,720	-	-	1,326,720
Interest income	2025	-	(31,304,203)	-	(31,304,203)
	2024	-	(30,580,605)	-	(30,580,605)
Interest on loan	2025	32,848,571	-	-	32,848,571
	2024	36,306,441	-	-	36,306,441
Recharge of finance charges	2025	-	-	-	-
	2024	-	(1,480,391)	-	(1,480,391)
Shares purchase	2025	-	-	-	-
	2024	-	-	2,000,000	2,000,000

At the date of statement of financial position, balances with related parties were as follows:

		<i>Parent shareholder company AED Dr/(Cr)</i>	<i>Subsidiary company AED Dr/(Cr)</i>	<i>Partner of a subsidiary company AED Dr/(Cr)</i>	<i>Total AED Dr/(Cr)</i>
<u>Balances:</u>					
Account receivable	2025	-	9,740,000	-	9,740,000
	2024	-	9,740,000	-	9,740,000
Funding balance	2025	(9,431,081)	323,109,756	-	313,678,675
	2024	(11,278,360)	294,906,564	-	283,628,204
Unsecured Loan	2025	(334,508,113)	-	-	(334,508,113)
	2024	(301,659,542)	-	-	(301,659,542)
Accounts payable	2025	-	-	-	-
	2024	-	-	(1,200,000)	(1,200,000)

18. Financial instruments: Credit, liquidity and market risk exposures

Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk comprise principally of account receivable, due from a subsidiary and bank balance in current accounts. The company's bank balance in current accounts are placed with a high credit quality financial institution. Account receivable and due from a subsidiary are not perceived as a credit risk. There are no significant concentrations of credit risk from receivables outside the industry in which the company operates.

ZUARI INFRA MIDDLE EAST LIMITED**Notes to the Financial Statements
for the year ended 31 March 2025****Financial instruments: Credit, liquidity and market risk exposures (cont'd)****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 company who ensure that sufficient funds are made available to the company to meet the 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 Between 2 to 5 years AED</i>
Due to parent shareholder company	9,431,081	9,431,081	-
Accruals	14,611	14,611	-
Loan from parent shareholder company	<u>334,508,113</u>	<u>-</u>	<u>334,508,113</u>
	<u>343,953,805</u>	<u>9,445,692</u>	<u>334,508,113</u>

Market risk

Market risk is the 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. Due from a subsidiary company and loan from a parent shareholder company are at fixed rate.

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.

19. Financial instruments: Fair values

The fair values of the company's financial assets, comprising account receivable, due from a subsidiary, investment in a subsidiary and bank balance and financial liabilities comprising due to parent shareholder company, loan from parent shareholder company, accounts payable and accruals approximate to their carrying values.

20. Contingent liabilities and capital commitments

There were no contingent liabilities and capital commitments outstanding at the date of statement of financial position.

ZUARI INFRA MIDDLE EAST LIMITED

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

21. Comparative figures

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year. Such reclassification does not affect the previously reported loss, net assets or equity of the company.

22. Approval of the financial statements

To the best of the knowledge of the management and those charge 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.

**ZUARI INFRA MIDDLE EAST
LIMITED AND ITS SUBSIDIARY**

Consolidated Financial Statements

31 March 2025

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

Consolidated Financial Statements
31 March 2025

<u>CONTENTS</u>	<u>PAGES</u>
Directors' Report	1 – 2
Independent Auditor's Report	3 – 4
Consolidated Statement of Financial Position	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9 – 29

**ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY
Directors' Report**

The Directors submit their report, together with the audited consolidated financial statements of **ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY** (the "group"), for the year ended 31 March 2025.

Results and appropriations

The results of the group and the appropriations made for the year ended 31 March 2025 are set out on pages 6 and 7 of the consolidated financial statements.

In our opinion, the consolidated financial statements set out on pages 5 to 29 are drawn up so as to give a true and fair view of the financial position of the group as at 31 March 2025, and the financial performance, changes in equity and cash flows of the group for the year then ended in accordance with International Financial Reporting Standards and the provisions of Jebel Ali Free Zone Authority.

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

Review of the project

The group carried out following activities during the period for the project being developed:

- The group reported consolidated net profit of AED 76.75 million for the FY 2024-25 as compared to AED 14.73 million for the previous FY 2023-24. A YOY increase of 421 % for the FY 2024-25.
- The group 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 group has receiving interest income of AED 9.65 million on the project ESCROW account during this financial year.
- The group 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 group 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 group and its parent entities.

Event since the end of the year

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

Directors

The directors who served during the year were as follows:


- Vinay Varma
- Venkatesan Subramanian

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY
Directors' Report (cont'd)

Independent auditor

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

On behalf of the board :



Vinay Varma
DIRECTOR



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY** (the "group"), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at 31 March 2025, and its consolidated financial performance and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the group 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 consolidated financial statements in the United Arab Emirates and the Jebel Ali Free Zone Authority, 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs and regulations issued by the Jebel Ali Free Zone Authority and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 group'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 group'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 consolidated 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 group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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

Also, in our opinion, proper books of account have been kept by the group. According to the information available to us, there were no violations of the laws of Jebel Ali Free Zone Authority Offshore Companies Regulations or the Articles of Association of the group which would have had a material effect on the business of the group or on its financial performance.

Signed by:

C. D. Shah

Partner

Registration No. 677

Shah & Alshamali Associates Chartered Accountants

6 May 2025

Dubai, United Arab Emirates



ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

Consolidated Statement of Financial Position
as at 31 March 2025

		2025	Restated 2024
	Notes	AED	AED
ASSETS			
Escrow & retention accounts	6	256,343,271	286,549,967
Cash & cash equivalents	7	5,874,649	4,678,707
Due from related parties	8	6,582,423	2,613,930
Advances and 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	412,651,415	341,705,149
Goodwill on consolidation	12	-	-
Total assets		<u>682,249,396</u>	<u>636,351,366</u>
LIABILITIES AND EQUITY			
Liabilities			
Account payable		36,650	1,200,000
Other payables & accruals	13	2,723,242	5,005,227
Vehicle loan	14	-	181,932
Due to related parties	15	359,488,192	346,060,414
Contract liabilities	16	259,035,665	291,409,103
Unsecured loans	17	2,584,780	11,475,307
Staff end of service gratuity	18	726,485	391,438
Income tax provision	22	275,179	-
Total liabilities		<u>624,870,193</u>	<u>655,723,421</u>
Equity			
Share capital	19	10,000	10,000
Retained earnings / (Accumulated losses)		<u>57,369,203</u>	<u>(19,382,055)</u>
Equity deficit		<u>57,379,203</u>	<u>(19,372,055)</u>
Total liabilities and equity		<u>682,249,396</u>	<u>636,351,366</u>

The notes on pages 9 to 29 form an integral part of these consolidated financial statements.

Vinay Varma
DIRECTOR



ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

Consolidated 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	20	<u>6,807,246</u>	<u>5,241,935</u>
Interest income		113	188
Credit balance written back		-	15,000
Expenditure			
Facility management and development advisory fee		-	(9,326,720)
Managerial remuneration and expenses		(1,107,458)	(715,500)
Staff salaries and benefits		(1,528,439)	(1,279,954)
Rent		(110,836)	(46,000)
Legal and professional fees		(105,040)	(82,225)
Other administrative expenses		(529,012)	(519,160)
Foreign exchange loss		(440)	(8,922,454)
Impairment of goodwill	12	-	(1,398,968)
Depreciation		<u>(93,145)</u>	<u>(97,716)</u>
Profit / (loss) from operations		3,332,989	(17,131,574)
Share of profit from a joint venture entity	11	111,168,138	72,077,626
Finance costs	21	<u>(37,474,690)</u>	<u>(40,215,003)</u>
Profit before tax		77,026,437	14,731,049
Income tax expense	22	<u>(275,179)</u>	<u>-</u>
Profit for the year		76,751,258	14,731,049
Other comprehensive income / (loss)		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>76,751,258</u>	<u>14,731,049</u>

The notes on pages 9 to 29 form an integral part of these consolidated financial statements.

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

Consolidated 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	10,000	(24,373,104)	(24,363,104)
Loss for the year	-	(57,399,519)	(57,399,519)
As at 31 March 2024	10,000	(81,772,623)	(81,762,623)
Effect of restatement	-	62,390,568	62,390,568
As at 31 March 2024 (Restated)	10,000	(19,382,055)	(19,372,055)
Profit for the year	-	76,751,258	76,751,258
As at 31 March 2025	<u>10,000</u>	<u>57,369,203</u>	<u>57,379,203</u>

The notes on pages 9 to 29 form an integral part of these consolidated financial statements.

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

Consolidated 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		77,026,437	14,731,049
Adjustments for:			
Depreciation	10	93,145	97,716
Provision for staff end of gratuity	18	335,047	66,522
Credit balance written back		-	(15,000)
Impairment of goodwill	12	-	325,687
Exchange loss / (gain)		-	8,922,454
Finance costs (net)	21	37,474,690	40,215,003
Operating profit before working capital changes		114,929,319	64,343,431
(Increase)/ decrease in accounts receivable, advance, other receivables due from related parties and prepayment		(3,899,963)	(1,654,183)
(Increase)/ decrease in funds in escrow and restricted account		30,206,696	(173,393,999)
Increase/ (decrease) in contract liabilities		(32,373,438)	178,238,897
Increase/ (decrease) in accounts and other payable, due to related parties and accruals		(20,253,264)	6,775,665
Net cash from/(used in) operating activities		88,609,350	74,309,811
<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	11	(70,946,266)	(131,248,520)
Net cash from / (used in) investing activities		(71,101,966)	(131,248,520)
<u>Cash flows from financing activities</u>			
Funds received from /(paid to) subsidiary of ultimate parent company		(1,847,279)	1,369,413
Payment of vehicle and term loan		(181,932)	(98,925,342)
Proceeds from loan from parent shareholder company		-	159,681,162
Proceeds from/(payment of) unsecured loans (net)		(8,890,527)	(1,500,000)
Finance costs paid (net)		(5,391,704)	(4,402,521)
Net cash from/(used in) financing activities		(16,311,442)	56,222,712
Net increase/ (decrease) in cash and cash equivalents		1,195,942	(715,997)
Cash and cash equivalents at the beginning of the year		4,678,707	5,394,704
Cash and cash equivalents at the end of the year	7	5,874,649	4,678,707

The notes on pages 9 to 29 form an integral part of these consolidated financial statements.

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

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

1. Legal status and activity

ZUARI INFRA MIDDLE EAST LIMITED (the “company”) is a private limited liability international company incorporated under the Jebel Ali Free Zone Offshore Companies Regulations of 2003 with Zuari Infraworld India Limited as its sole shareholder. The ultimate parent company is Zuari Industries Ltd, India, an entity incorporated under the law of India. The consolidated financial statements of the group as at 31 March 2025 comprise of the parent company and its subsidiary (collectively referred to as the “group”).

The company is engaged in providing management and financial support to its wholly owned subsidiary which is engaged in managing a residential real estate project in Burj Khalifa District, Emirate of Dubai, U.A.E. The development project is expected to be completed by 2025-26. The registered address of the company is P.O. Box 27508, Dubai, U.A.E.

The company’s subsidiary is Zuari Infraworld S J M Properties L.L.C, (the “subsidiary”) Dubai, United Arab Emirates which 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. In terms of an agreement dated 12 January 2024 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 consolidated financial statements, which are not statutory, have been prepared on a going concern basis and for its inclusion by the ultimate parent company in its consolidated financial statements. The consolidated financial statements have been prepared under accrual basis of accounting and 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 requirements of U.A.E. laws.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

Functional and presentation currency

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

Basis of consolidation

The consolidated financial statements of **ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY** incorporate the financial statements of the company and the entity controlled by the company (its subsidiary). The extent of company’s shareholding and the principal activity of the subsidiary are set out below:

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

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

Basis of preparation (cont'd)

Basis of consolidation (cont'd)

Name of entity	Country of incorporation	Relation	Activity	% of ownership	% of ownership
				2025	2024
Zuari Infraworld S J M Properties L.L.C.	United Arabs Emirates	Subsidiary	The principal activity of the company is real estate development	100%	100%

Control is achieved when the company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company has control over its subsidiary, including:

- determining operating policies
- making capital decisions
- appointing key management personnel
- rights to appoint key personnel
- decision making rights within a management contract
- removal or 'kick-out' rights

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies. All intra-group assets and liabilities, income and expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation. Unrealized gains and losses are eliminated.

Use of estimates and judgements

The preparation of the consolidated 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 consolidated financial statements are discussed in note 4.

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

Notes to the Consolidated Financial Statements
for the year ended 31 March 2025**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
<i>New standards, amendments and interpretations not yet adopted</i>	

	Effective for annual periods beginning on or after
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 group 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 consolidated financial statements for the year ended 31 March 2024, as initially reported, have been amended and restated, to give effect of following

- Share of profit of AED 72,130,568 on consolidated financial statements level of the group instead of standalone financials statements level of the joint venture company.
- Management fees charged by the parent company during the earlier years amounting to AED 9,740,000 was capitalized under development work in progress and remained to be eliminated in the consolidated financial statements of the group. To rectify anomaly elimination reduction is made in the investment in joint venture amount and an equal amount has been added to accumulated losses account.

The above effects are 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 consolidated 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	4,678,707	-	4,678,707
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	279,314,581	62,390,568	341,705,149
Total assets	573,960,798	62,390,568	636,351,366

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

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

Restatement of previously reported results (cont'd)

	31 March 2024 As reported (A) AED	As a result of restatement (B) AED	31 March 2024 Restated (A + B) AED
LIABILITIES AND EQUITY			
Liabilities			
Account payable	1,200,000	-	1,200,000
Other payables & accruals	5,005,227	-	5,005,227
Vehicle loan	181,932	-	181,932
Due to related parties	44,400,872	-	44,400,872
Loan from subsidiary of ultimate parent company	301,659,542	-	301,659,542
Contract liabilities	291,409,103	-	291,409,103
Unsecured loans	11,475,307	-	11,475,307
Staff end of service gratuity	391,438	-	391,438
Total liabilities	655,723,421	-	655,723,421
Equity			
Share capital	10,000	-	10,000
Accumulated losses	(81,772,623)	62,390,568	(19,382,055)
Equity deficit	(81,762,623)	62,390,568	(19,372,055)
Total liabilities and equity	573,960,798	62,390,568	636,351,366
The effect of the restatement on the consolidated statement of profit or loss and other comprehensive income for the period ended 31 March 2024 are as follows:			
Revenue from contract with customer	5,241,935	-	5,241,935
Credit balance written back	15,000	-	15,000
Interest income	188	-	188
Expenditure			
Facility management and development advisory fee	(9,326,720)	-	(9,326,720)
Managerial remuneration and expenses	(715,500)	-	(715,500)
Staff salaries and benefits	(1,279,954)	-	(1,279,954)
Rent	(46,000)	-	(46,000)
Legal and professional fees	(82,225)	-	(82,225)
Other administrative expenses	(519,160)	-	(519,160)
Foreign exchange loss	(8,922,454)	-	(8,922,454)
Impairment of goodwill	(1,398,968)	-	(1,398,968)
Depreciation	(97,716)	-	(97,716)
Finance costs	(40,215,003)	-	(40,215,003)
Total expenditure	(62,603,700)	-	(62,603,700)
Loss for the year	(57,346,577)	-	(57,346,577)
Share of (loss) / profit from a joint venture entity	(52,942)	72,130,568	72,077,626
Net (loss)/profit for the year	(57,399,519)	72,130,568	14,731,049
Other comprehensive income / (loss)	-	-	-
Total comprehensive (loss)/income for the year	(57,399,519)	72,130,568	14,731,049

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

Notes to the Consolidated 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 consolidated 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 consolidated 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.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognized as an asset is reviewed for impairment at least annually.

Investment in Joint venture

Joint venture are those entities over whose activities the group 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 group's share of net assets of the joint venture less any impairment in value, if any. The group 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 group 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, and only when, the group becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when, and only 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, and only 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 group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The group's financial assets include financial assets measured at amortized cost comprising accounts and other receivables and cash and cash equivalents.

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

Notes to the Consolidated 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 comprise refundable deposits and escrow account.

Cash and cash equivalents

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

Financial liabilities

The group's financial liabilities include due to subsidiary of ultimate parent company, loan from subsidiary of ultimate parent company, unsecured loans, vehicle loan, accounts payable, 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.

Loans and borrowings

Loans and borrowings are initially recognized at fair value net of directly attributable transaction costs. Interest-bearing loans and borrowings are subsequently measured at amortized cost using effective interest method. Gains and losses are recognized in statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

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.

Contract liabilities

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

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.

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

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

Material accounting policy information (cont'd)

Value Added Tax ("VAT") (cont'd)

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

Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax law used to compute the amount is the one that is enacted or substantively enacted, at the reporting date, in U. A. E. where the group operates and generates taxable income.

Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

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

Material accounting policy information (cont'd)

Income taxes (cont'd)

Deferred tax (cont'd)

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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 group'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.

Revenue recognition

The group 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 group satisfies a performance obligation

The group 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 group's performance as and when the group performs; or
- The group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The group's performance does not create an asset with an alternative use to the group and the group 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.

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

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

Material accounting policy information (cont'd)

Revenue recognition (cont'd)

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.

Interest income

Interest income is recognized on a time-proportion basis using the effective interest method.

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 recognized in the income statement in the year in which they are incurred.

Provisions

Provisions are recognized when the group 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. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable than an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

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 consolidated statement of financial position. Resulting gain or loss is taken to the consolidated statement of profit or loss and other comprehensive income.

5. Significant judgment employed in applying accounting policies and key sources of estimation uncertainty

5.1 Significant judgment employed

Impairment of non-financial assets

The group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. If any of such indication exists, the group 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.

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.

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY**Notes to the Consolidated Financial Statements
for the year ended 31 March 2025****Significant judgment employed (cont'd)****Impairment of accounts and other receivables (cont'd)**

The group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the group'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 group'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.

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

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 group 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.

Development work in progress

Development work in progress is stated at lower of cost or net realizable value. Management of the group has assessed the net realizable value of its development work in progress for impairment.

Staff end of service gratuity

The group 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 group's current tax provision of AED 275,179 (*previous year Nil*) relates to management's assessment of tax liabilities on open positions, based on current interpretations of CT Law and applicable guidance.

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

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

	2025	<i>Restated</i> 2024
	<i>AED</i>	<i>AED</i>

6. Escrow & retention accounts

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, 16 and 24).

7. Cash & cash equivalents

Cash on hand	1,984	2,522
Bank balance in:		
Current accounts	<u>5,872,665</u>	<u>4,676,185</u>
	<u>5,874,649</u>	<u>4,678,707</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 group's average credit period is 0-90 days after which balance is considered to be past due. Unimpaired receivable is expected, on the basis of past experience, to be fully recoverable. As at 31 March 2025 the aging is as follows:

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

	2025	<i>Restated</i> 2024
	<i>AED</i>	<i>AED</i>

9. Advances and other receivables

Refundable deposits	38,500	246,486
VAT receivable	-	5,245
Advance to service providers	170,705	67,220
Staff advances #	14,949	11,390
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 INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

Notes to the Consolidated 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	127,816	730,766	858,582
Addition during the year	<u>5,700</u>	<u>150,000</u>	<u>155,700</u>
As at 31.03.2025	<u>133,516</u>	<u>880,766</u>	<u>1,014,282</u>
Accumulated depreciation			
As at 01.04.2024	123,993	256,269	380,262
Charge for the year	<u>2,426</u>	<u>90,719</u>	<u>93,145</u>
As at 31.03.2025	<u>126,419</u>	<u>346,988</u>	<u>473,407</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>
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 group is committed to contribute AED 165,000,000 towards the seed capital. Out of this amount the group 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 group has incurred / capitalised AED 110,285,364 towards the cost of contributing the seed capital.

	<i>2025 AED</i>	<i>Restated 2024 AED</i>
Opening balance	341,705,149	-
Transferred from development work in progress	-	198,746,629
Transferred from advance against project development	-	21,450,000
Net addition	5,262,674	59,170,894
Elimination !	-	(9,740,000)
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>412,559,602</u>	<u>341,705,149</u>
Total investment in joint venture (A+B)	<u>412,651,415</u>	<u>341,705,149</u>

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

Notes to the Consolidated 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.

! Management fees charged by the parent company during the earlier years amounting to AED 9,740,000 was capitalized under development work in progress and remained to be eliminated in the consolidated financial statements of the group. To rectify the above anomaly elimination reduction is made in the Investment in joint venture amount and an equal amount has been added to accumulated losses account.

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

	2025 <u>AED</u>	Restated 2024 <u>AED</u>
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>
Group'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>
Group's 50% share of results for the year	<u>111,168,138</u>	<u>72,193,297</u>

12. Goodwill on consolidation

This represents goodwill arising on consolidation of the financial statement of the group and its wholly owned subsidiary. The movement during the previous year are as under:

	2025 <u>AED</u>	Restated 2024 <u>AED</u>
Opening balance	-	325,687
Net addition	-	<u>1,073,011</u>
	-	<u>1,398,698</u>
Impairment of goodwill	-	<u>(1,398,698)</u>
Closing balance	<u>-</u>	<u>-</u>

13. Other payables & accruals

Interest payable on unsecured loans	69,504	4,735,132
Salaries payable #	-	141,225
Customer refund	1,714,596	-
Noqodi fee payable	899,808	-
Interest on vehicle loan	-	1,135
VAT payable	-	114,046
Accruals	<u>39,334</u>	<u>13,689</u>
	<u>2,723,242</u>	<u>5,005,227</u>

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

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

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

	2025 <u>AED</u>	<i>Restated</i> 2024 <u>AED</u>
14. Vehicle loan		
Less than 1 year	-	111,264
More than 1 year	-	70,668
	<u>-</u>	<u>181,932</u>
15. Due to related parties		
Zuari Infraworld India Limited @	17,431,081	19,529,773
Loan payable to Zuari Infraworld India Limited ^	334,508,113	301,659,542
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 payable	68,603	1,281,094
Payable to key managerial personnel	1,950,000	1,200,000
	<u>359,488,192</u>	<u>346,060,414</u>
<i>@ Represents payable for facility management and development advisory fee, guarantee commission, finance charges and related expenses to subsidiary of ultimate parent company</i>		
<i>^ This represents unsecured and 12.5% per annum interest bearing loan from subsidiary of ultimate parent company which is repayable not later than six years from drawdown.</i>		
<i>% This represents unsecured and non-interest-bearing loan availed from a related party which is repayable within a period of 3 years.</i>		
<i>* This represents unsecured, and 9 % p.a. loan availed from a related party which is repayable within a period of 3 years</i>		
<i>! Repaid fully during the year.</i>		
16. Contract liabilities		
This represents funds received in Escrow and current account in the name of the group 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.		
17. Unsecured loans		
This represents unsecured and 8 % per annum (previous year 8 to 12%) interest bearing loan availed from a non-related party which is repayable within a period of 3 years.		
	2025 <u>AED</u>	<i>Restated</i> 2024 <u>AED</u>
18. 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>
<i>@ Includes AED 534,435 (previous year AED 262,777) payable to related parties.</i>		

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

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

	<i>2025</i> <i>AED</i>	<i>Restated</i> <i>2024</i> <i>AED</i>
19. Share capital		
Authorized, issued and paid up:		
10,000 shares of AED 1 each	<u>10,000</u>	<u>10,000</u>
20. 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>
21. Finance costs		
Interest on bank loans	-	530,057
Interest on unsecured loans	4,609,936	1,820,642
Loan processing fees and other charges	-	1,531,618
Interest on loan from subsidiary of ultimate parent company	32,848,571	36,306,441
Interest on vehicle loan	6,430	15,754
Bank charges	<u>9,753</u>	<u>10,491</u>
	<u>37,474,690</u>	<u>40,215,003</u>
22. 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 group'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 group that are in scope for U.A.E. CT purposes will be subject to the rate of 9% Corporate Tax.

The tax expenses for the year ended 31 March 2025 is AED 275,179 (*previous year 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:

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

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

Income tax expense (cont'd)

	2025 AED
<i>Income tax expense</i>	
Current income tax expense	(275,179)
<i>Deferred tax</i>	
Deferred income tax expense relating to origination and reversal of temporary differences	<u>-</u>
Income tax expense reported in the statement of profit or loss and other comprehensive income	<u>(275,179)</u>

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

	2025 AED
Accounting profit for the year before tax	<u>77,026,437</u>
Income tax at U.A.E. statutory rate of 9%	6,932,379
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:	
Exempt income	(10,005,132)
Non-deductible expenses	3,381,682
Adjustments for income up to AED 375,000*	<u>(33,750)</u>
Income tax expense/(benefit)	<u>275,179</u>
Effective Tax Rate	<u>0.36%</u>

**As per the U.A.E. CT Law, the maximum standard deduction applicable for the group is AED 375,000. The standard deduction applicable for the group 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 group 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 group.

23. Capital risk management

The group 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 group comprises net debt (interest bearing borrowings offset by cash and bank balances) and equity (comprising share capital and retained earnings).

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY**Notes to the Consolidated Financial Statements
for the year ended 31 March 2025****24. Related party transactions and balances**

The group 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 group 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 / Parent shareholder company

Zuari Infraworld India Limited, India

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.

Subsidiary of joint venture

Burj District One Limited, U.A.E.

Key managerial personnels

Vinay Varma
Akshay Poddar
Alok Banerjee
Venkatesan Subramanian

One of the partners of a subsidiary company

Dubai Holding LLC, U.A.E

Significant transactions with related parties during the year were as under:

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

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

Related party transactions and balances (cont'd)

		<i>Joint venture & parties to JV AED Dr/(Cr)</i>	<i>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>Partner of subsidiary company AED Dr/(Cr)</i>	<i>Total AED Dr/(Cr)</i>
Transactions:								
Interest on loans	2025	-	32,848,571	-	1,145,824	737,255	-	34,731,650
	2024	-	36,306,441	-	672,070	327,595	-	37,306,106
Salary and benefits	2025	-	-	-	396,000	-	-	396,000
	2024	-	-	-	345,600	-	-	345,600
Managerial remuneration and expenses	2025	-	-	-	888,000	-	-	888,000
	2024	-	-	-	690,000	-	-	690,000
Contract liabilities	2025	-	-	(32,373,438)	(750,000)	-	-	(33,123,438)
	2024	-	-	(178,238,897)	(1,250,000)	-	-	(179,438,897)
Staff end of service gratuity	2025	-	-	-	271,658	-	-	271,658
	2024	-	-	-	39,900	-	-	39,900
Share of profit from a joint venture entity	2025	(111,168,138)	-	-	-	-	-	(111,168,138)
	2024	(72,077,626)	-	-	-	-	-	(72,077,626)
Facility management and development advisory Fees	2025	-	-	-	-	-	-	-
	2024	-	9,326,720	-	-	-	-	9,326,720
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)
Shares purchase	2025	-	-	-	-	-	-	-
	2024	-	-	-	-	-	2,000,000	2,000,000
Priority withdrawal & Surplus distribution	2025	45,576,359	-	-	-	-	-	45,576,359
	2024	-	-	-	-	-	-	-
Purchase of vehicle	2025	-	-	-	-	150,000	-	150,000
	2024	-	-	-	-	-	-	-
Investment	2025	5,354,351	-	-	-	-	-	5,354,351
	2024	305,246,939	-	-	-	-	-	305,246,939
Loan / Interest (repayment)	2025	-	(251,453)	-	-	(5,538,528)	-	(5,789,981)
	2024	(128,689)	-	-	-	(1,500,000)	-	(1,628,689)
Loan availed	2025	80,590	-	-	-	2,531,753	-	2,621,343
	2024	130,522	-	-	-	-	-	130,522

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

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

Related party transactions and balances (cont'd)

The group receives funds from and provides to with or without interest from/to related parties as and when required to meet with its project funding requirements. The related parties has given corporate guarantee in favor of bank against facilities availed by the group.

At the date of statement of financial position, balances with related parties were as follows:

		<i>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>Partner of subsidiary company AED Dr/(Cr)</i>	<i>Total AED Dr/(Cr)</i>
Balances:								
Advance	2025	-	-	-	-	371	-	371
	2024	-	-	-	-	-	-	-
Investment in joint venture	2025	-	-	-	412,651,415	-	-	412,651,415
	2024	-	-	-	341,705,149	-	-	341,705,149
Due from a related party	2025	-	-	82,423	6,500,000	-	-	6,582,423
	2024	-	-	1,833	2,612,097	-	-	2,613,930
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 loan	2025	-	(5,380,395)	-	-	-	-	(5,380,395)
	2024	-	(22,285,005)	-	-	-	-	(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	(17,431,081)	-	-	-	-	-	(17,431,081)
	2024	(19,529,773)	-	-	-	-	-	(19,529,773)
Business facilitation fees	2025	-	(150,000)	-	-	-	-	(150,000)
	2024	-	(105,000)	-	-	-	-	(105,000)
Interest payable	2025	-	(68,603)	-	-	-	-	(68,603)
	2024	-	(609,024)	-	-	(672,070)	-	(1,281,094)
Staff end of service gratuity	2025	-	-	-	-	(534,435)	-	(534,435)
	2024	-	-	-	-	(262,777)	-	(262,777)
Account payable	2025	-	-	-	-	-	-	-
	2024	-	-	-	-	-	(1,200,000)	(1,200,000)

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY

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

25. Financial instruments: Credit, liquidity and market risk exposures

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the group 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 group to meet the 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 group'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	2,759,892	2,759,892	-
Due to related parties	359,488,192	24,980,079	334,508,113
Unsecured loans	2,584,780	-	2,584,780
	<u>364,832,864</u>	<u>27,739,971</u>	<u>337,092,893</u>

Market risk

Market risk is the risk that changes in market prices, such as interest rate risk and currency risk, will affect the group'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. Bank borrowings are at floating rates at levels which are generally obtained in the U.A.E. Loan from subsidiary of ultimate parent company and other related parties are at fixed rate.

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.

ZUARI INFRA MIDDLE EAST LIMITED AND ITS SUBSIDIARY**Notes to the Consolidated Financial Statements
for the year ended 31 March 2025****26. Financial instruments: Fair values**

The fair values of the group's financial assets, comprising account and other receivables, refundable deposits and cash and cash equivalents and financial liabilities comprising vehicle loan, unsecured loans, due to subsidiary of ultimate parent company, loan from subsidiary of ultimate parent company, accounts payable and accruals and other payables are approximate to their carrying values.

27. Contingent liabilities

There were no contingent liabilities of a significant amount outstanding at the date of consolidated statement of financial position.

28. Capital commitments

- In terms of JV agreement, Zuari Infraworld S J M Properties L.L.C (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.

29. 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.

30. Approval of the consolidated financial statements

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

The consolidated 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.