ZUARI INFRA MIDDLE EAST LIMITED

Financial Statements

31 March 2026

ZUARI INFRA MIDDLE EAST LIMITED

Financial Statements
31 March 2026

CONTENTS | ***PAGES***

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 2026.

Results and appropriations
The results of the company and the appropriations made for the year ended 31 March 2026 are set out on pages 5 and 6 of the financial statements.

In our opinion, the financial statements set out on pages 4 to 18 are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2026, 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 received funds from the parent company and provided funds for residential real estate development project being managed by the subsidiary company on which interest income is earned during the year. The project undertaken by the subsidiary is in its final phase of completion. Based on management's assessment company will recover the investment made in the subsidiary,

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

The directors continue to monitor the evolving geopolitical situation in the region and its potential impact on the company's operations. As at the date of this report, the directors do not consider this to have a material adverse effect on the company's financial position or its ability to continue as a going concern.

Shareholder and its interest
The shareholder at 31 March 2026 and its interest as at that date in the share capital of the company was as under:

	No. of shares	*AED*
Zuari Infraworld India Limited, India	10,000	10,000

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.

On behalf of board:

Vinay Varma
DIRECTOR

ZUARI INFRA MIDDLE EAST LIMITED
زواري انفرا ميدل ايست لميتد
P.O.Box: 114429
Dubai - U.A.E.

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 2026, 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 2026, 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:

S&A

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.

SHAH & ALSHAMALI ASSOCIATES Chartered Accountants P.O.Box: 118767 DUBAI - U.A.E
شاه & الشمالي اسوسيتس محاسبون قانونيون

CDShah

Signed by:
C. D. Shah
Partner
Registration No. 677
Shah & Alshamali Associates Chartered Accountants
6 May 2026
Dubai, United Arab Emirates

ZUARI INFRA MIDDLE EAST LIMITED

Statement of Financial Position
as at 31 March 2026

	Notes	2026 AED	2025 AED
ASSETS			
Cash and cash equivalents	5	2,355	2,632
Account receivable	6	9,740,000	9,740,000
Due from a subsidiary	7	356,755,006	323,109,756
Investment in a subsidiary	8	2,147,000	2,147,000
Deferred tax asset	15	5,088	5,631
Property, plant and equipment	9	-	-
Total assets		**368,649,449**	**335,005,019**
LIABILITIES AND EQUITY			
Liabilities			
Accruals		24,377	14,611
Due to parent shareholder company	10	9,431,081	9,431,081
Loan from parent shareholder company	11	368,087,347	334,508,113
Total liabilities		377,542,805	343,953,805
Equity			
Shareholder's funds			
Share capital	12	10,000	10,000
Accumulated losses		(8,903,356)	(8,958,786)
Equity deficit		(8,893,356)	(8,948,786)
Total liabilities and equity		**368,649,449**	**335,005,019**

The notes on pages 8 to 18 form an integral part of these financial statements.

For and on behalf of the board of directors,

Vinay Varma
DIRECTOR

زواري انفرا ميدل ايست لميتد
P.O.Box: 114429
Dubai - U.A.E.
ZUARI INFRA MIDDLE EAST LIMITED

ZUARI INFRA MIDDLE EAST LIMITED

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2026

	Notes	*2026* *AED*	*2025* *AED*
Revenue	13	**33,686,172**	**31,304,316**
Expenditure			
Legal and professional fees		(53,368)	(60,890)
Other administrative expenses		(3,228)	(1,789)
Finance cost	14	(33,579,234)	(32,848,571)
Total expenditure		**(33,635,830)**	**(32,911,250)**
Profit/(loss) before tax		**50,342**	**(1,606,934)**
Income tax benefit	15	5,088	5,631
Profit/(loss) for the year		**55,430**	**(1,601,303)**
Other comprehensive income / (loss)		-	-
Total comprehensive income/(loss) for the year, net of tax		**55,430**	**(1,601,303)**

The notes on pages 8 to 18 form an integral part of these financial statements.

ZUARI INFRA MIDDLE EAST LIMITED

Statement of Changes in Equity
for the year ended 31 March 2026

	Share capital AED	*Accumulated losses AED*	*Total AED*
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	**10,000**	**(8,958,786)**	**(8,948,786)**
Profit for the year	-	55,430	55,430
As at 31 March 2026	**10,000**	**(8,903,356)**	**(8,893,356)**

The notes on pages 8 to 18 form an integral part of these financial statements.

ZUARI INFRA MIDDLE EAST LIMITED

Statement of Cash Flows
for the year ended 31 March 2026

	Notes	*2026 AED*	*2025 AED*
Cash flows from operating activities			
Profit/(loss) before tax		50,342	(1,606,934)
Adjustments for:			
Finance cost	14	33,579,234	32,848,571
Interest income from a subsidiary	13	(33,686,168)	(31,304,203)
Operating loss before working capital changes		**(56,592)**	**(62,566)**
Increase/(decrease) in accruals		9,766	8,311
Net cash from / (used in) operations		**(46,826)**	**(54,255)**
Deferred tax adjusted against group payable		5,631	-
Net cash from / (used in) operating activities		**(41,195)**	**(54,255)**
Cash flow from investing activity			
Payment for investment in subsidiary	8	-	(1,200,000)
Net cash from/ (used in) investing activity		**-**	**(1,200,000)**
Cash flows from financing activities			
Funds received from / (paid to) parent shareholder company		-	(1,847,279)
Funds received from subsidiary		40,918	3,101,011
Net cash from / (used in) financing activities		**40,918**	**1,253,732**
Net increase/ (decrease) cash and cash equivalents		**(277)**	**(523)**
Cash and cash equivalents at the beginning of the year		**2,632**	**3,155**
Cash and cash equivalents at the end of the year	5	**2,355**	**2,632**

The notes on pages 8 to 18 form an integral part of these financial statements.

ZUARI INFRA MIDDLE EAST LIMITED

Notes to the Financial Statements
for the year ended 31 March 2026

1. Legal status and activities

ZUARI INFRA MIDDLE EAST LIMITED (the "company") is a private limited liability offshore company incorporated under the Jebel Ali Free Zone Offshore Companies Regulations of 2003 with Zuari Infraworld 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 2026-27.

2. Basis of preparation

Going concern
As at 31 March 2026, the Company has accumulated losses amounting to AED 8,903,356 and a shareholders' deficit of AED 8,893,356. The project undertaken by the subsidiary as mentioned above is in its final phase of completion. Based on management's assessment of the estimated recoverable amount, there is a reasonable expectation that the Company will recover the deficit amount. Accordingly, the accompanying financial statements have been prepared on a going concern basis.

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 2026

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 2025, 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
Amendments to IAS 21 - Lack of Exchangeability	1 April 2025

New standards, amendments and interpretations not yet adopted

	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
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	1 April 2027

Management anticipates that these new standards, interpretations and amendments will be adopted in the company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments except for IFRS 18 will have no material impact on the financial statements of company in the period of initial application.

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 2026

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 accruals.

Accruals
Amounts relating to goods and services received for which invoices have not yet been received. These are measured based on the best estimate of the obligation at the reporting date, with reference to contractual terms, purchase orders, and historical billing patterns.

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

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

Current Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The establishment's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ZUARI INFRA MIDDLE EAST LIMITED

Notes to the Financial Statements
for the year ended 31 March 2026

Material accounting policy information (cont'd)

Income taxes (cont'd)

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgment of tax professionals within the establishment supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination or for transactions that give rise to equal taxable and deductible temporary differences) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the establishment is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 2026

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 2026

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 2026, the aging of a receivable is as follows:

	Total AED	*> 5 years AED*
2026	***9,740,000***	*9,740,000*

The outstanding balance will be adjusted on completion of the project during the financial year 2026-27.

7. Due from a subsidiary

This represents 0 to 11.5 % (*previous year 0 to 12.5 %)* per annum interest bearing funds advanced to a subsidiary company without any fixed repayment schedule.

8. Investment in a subsidiary

Name of subsidiary	*Country of incorporation*	*% of Ownership*	*2026 AED*	*2025 AED*
Zuari Infraworld S J M Properties L.L.C.	U.A.E.	100	**2,147,000**	**2,147,000**
Share of net book value			**10,501,136**	**104,094,404**

The subsidiary company is engaged in management of long term real estate development project which is expected to be completed by the year 2026-27.

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.

9. Property, plant and equipment

	Office equipment AED
Cost	
As at 01.04.2025	3,226
As at 31.03.2026	**3,226**
Accumulated depreciation	
As at 01.04.2025	3,226
As at 31.03.2026	**3,226**
Net book value	
As at 31.03.2026	-
As at 31.03.2025	-

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 11.5 % *(previous year 12.5%*) per annum interest bearing loan from Zuari Infraworld India Limited which is repayable not later than six years from drawdown.

	2026 AED	*2025 AED*
12. Share capital		
Authorized, issued and paid up:		
10,000 shares of AED 1 each	**10,000**	**10,000**

13. Revenue

Interest income from a subsidiary	33,686,168	31,304,203
Interest income from bank	4	113
	33,686,172	**31,304,316**

14. Finance cost

This represents interest expense incurred towards loan from parent shareholder company during the year. Effective 15 October 2025, the rate of interest has been reduced from 12.5% to 11.5%.

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.

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.

ZUARI INFRA MIDDLE EAST LIMITED

Notes to the Financial Statements
for the year ended 31 March 2026

Income tax expense and deferred tax (cont'd)

The tax benefit for the year ended 31 March 2026 is AED 5,088 *(previous year AED 5,631)*, representing an Effective Tax Rate ("ETR") of (10.11%) *(previous year (0.35%))*.

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

	2026 AED	***2025 AED***
Income tax expense		
Current income tax expense	-	-
Deferred tax		
Deferred income tax benefit relating to origination and reversal of temporary differences	5,088	5,631
Income tax benefit reported in the statement of profit or loss and other comprehensive income	**5,088**	**5,631**

The reconciliation of current income tax benefit and accounting profit/(loss) is as follows:

	2026 AED	***2025 AED***
Accounting profit/(loss) for the year before tax	50,342	(1,606,934)
Income tax at U.A.E. statutory rate of 9%	4,531	(144,624)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Exempt income	(9,619)	138,993
Adjustments for income up to AED 375,000*	-	-
Income tax expense/(benefit)	**(5,088)**	**(5,631)**
Effective Tax Rate	(10.11%)	(0.35%)

**As per the U.A.E. CT Law, corporate tax rate of 0% shall be imposed on the portion of taxable income not exceeding AED 375,000.*

Movement of the deferred tax asset for income tax is as under:

	2026 AED	***2025 AED***
As at 1 January	5,631	-
Deferred tax asset adjusted against group's payable	(5,631)	-
Additions during the year	5,088	5,631
As at 31 December	**5,088**	**5,631**

ZUARI INFRA MIDDLE EAST LIMITED

Notes to the Financial Statements
for the year ended 31 March 2026

Income tax expense and deferred tax (cont'd)

For the purpose of determining income tax benefit 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 5,088 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*

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:

Transactions:		***Parent shareholder company AED Dr/(Cr)***	***Subsidiary company AED Dr/(Cr)***	***Total AED Dr/(Cr)***
Interest income	2026	-	(33,686,168)	(33,686,168)
	2025	-	(31,304,203)	(31,304,203)
Interest on loan	2026	33,579,234	-	33,579,234
	2025	32,848,571	-	32,848,571
Loan / interest repayment (net)	2026	-	(40,919)	(40,919)
	2025	-	-	-

ZUARI INFRA MIDDLE EAST LIMITED

Notes to the Financial Statements
for the year ended 31 March 2026

Related party transactions and balances (cont'd)

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

		Parent shareholder company AED Dr/(Cr)	*Subsidiary company AED Dr/(Cr)*	*Total AED Dr/(Cr)*
Balances:				
Account receivable	2026	-	9,740,000	9,740,000
	2025	-	9,740,000	9,740,000
Funding balance	2026	(9,431,081)	356,755,006	347,323,925
	2025	(9,431,081)	323,109,756	313,678,675
Unsecured loan	2026	(368,087,347)	-	(368,087,347)
	2025	(334,508,113)	-	(334,508,113)

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.

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 2026:

	Carrying amounts AED	*Payable within next 12 months AED*	*Payable between 2 to 5 years AED*
Due to parent shareholder company	9,431,081	9,431,081	-
Accruals	24,377	24,377	-
Loan from parent shareholder company	368,087,347	-	368,087,347
	377,542,805	**9,455,458**	**368,087,347**

ZUARI INFRA MIDDLE EAST LIMITED

Notes to the Financial Statements
for the year ended 31 March 2026

Financial instruments: Credit, liquidity and market risk exposures (cont'd)

Market risk (cont'd)

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 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.

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 deficit 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 2026. The financial statements were approved by the board of directors and authorized Mr. Vinay Varma to sign on behalf of the board on 6 May 2026.