J.K. Cement (Fujairah) FZC

Fujairah - United Arab Emirates

Auditor's report and special purpose separate financial statements

For the year ended March 31, 2026

J.K. Cement (Fujairah) FZC
Fujairah - United Arab Emirates

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J.K. Cement (Fujairah) FZC
Fujairah - United Arab Emirates

General information

Principal Office Address	:	P.O. Box: 5325 Fujairah - United Arab Emirates
The Auditor	:	ECOVIS JRB Chartered Accountants P.O. Box: 117732 Dubai - United Arab Emirates
The Main Bank	:	Bank of Baroda

Ref: EJRB/2026/1171 - AR

Independent auditor's report

To,

The Shareholders

M/s. J.K. Cement (Fujairah) FZC

Fujairah - United Arab Emirates

Report on the audit of the special purpose separate financial statements

Opinion

We have audited the accompanying special purpose separate financial statements of **M/s. J.K. Cement (Fujairah) FZC**, Fujairah - United Arab Emirates (the "Entity") which comprise the statement of financial position as at March 31, 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 special purpose separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose separate financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2026 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 Special Purpose Separate Financial Statements section of our report. We are independent of the Entity in accordance with the requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants (IESBA) together with ethical requirements that are relevant to our audit of the special purpose separate financial statements 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 opinion.

Restriction on use

As stated in Note 3.1 these special purpose separate financial statements have been prepared for twelve months period from April 01, 2025 to March 31, 2026 in order to align the financial information of the Entity with Parent's (JK Cement Ltd. - India) financial year end as on March 31, 2026 to enable them to prepare consolidated financial statements. Therefore, these special purpose separate financial statements may not be suitable for any other purpose.

ECOVIS JRB Chartered Accountants, Office 3806, Concord Tower, Dubai Media City, Dubai, United Arab Emirates, **Phone:** +971 4 570 6603 **Email:** info@ecovisjrb.ae **P.O. Box:**117732. A member of ECOVIS International tax advisors, accountants, auditors, lawyers in more than 90 countries worldwide.

Independent auditor's report to the Shareholders of J.K. Cement (Fujairah) FZC (continued)

Responsibilities of management for the special purpose separate financial statements

Management is responsible for the preparation and fair presentation of the special purpose separate financial statements in accordance with IFRS Accounting Standards, in compliance with the requirements of the applicable laws and for such internal control as management determines is necessary to enable the preparation of special purpose separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The management is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the special purpose separate financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose separate 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 special purpose separate financial statements.

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

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

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Independent auditor's report to the Shareholders of J.K. Cement (Fujairah) FZC (continued)

Auditor's responsibilities for the audit of the special purpose separate financial statements (continued)

- Evaluate the overall presentation, structure and content of the special purpose separate financial statements, including the disclosures, and whether the special purpose separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management 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.

For ECOVIS JRB Chartered Accountants

Rashmi Rajkumar
Reg. No. 2341
May 06, 2026
Dubai - United Arab Emirates

P.O.Box: 117732
DUBAI - U.A.E
ECOVIS JRB CHARTERED ACCOUNTANTS

ECOVIS JRB Chartered Accountants, Office 3806, Concord Tower, Dubai Media City, Dubai, United Arab Emirates, **Phone:** +971 4 570 6603 **Email:** info@ecovisjrb.ae **P.O. Box:** 117732. A member of ECOVIS International tax advisors, accountants, auditors, lawyers in more than 90 countries worldwide.

J.K. Cement (Fujairah) FZC
Fujairah - United Arab Emirates

Statement of financial position as at March 31, 2026
(In Arab Emirates Dirham)

	Notes	**Mar 31, 2026**	Mar 31, 2025
Assets			
Non-current assets			
Investment in a subsidiary	5	**382,895,000**	365,829,000
Dividend receivable	6	**-**	16,822,512
Total non-current assets		**382,895,000**	382,651,512
Current assets			
Prepayments and other current assets		**8,613**	9,094
Cash and bank balances		**22,939**	23,087
Total current assets		**31,552**	32,181
Total assets		**382,926,552**	382,683,693
Equity and liabilities			
Equity			
Share capital	8	**361,532,000**	361,532,000
Retained earnings		**21,194,961**	20,976,889
Total equity		**382,726,961**	382,508,889
Current liabilities			
Due to a related party	7	**185,103**	156,160
Accounts and other payables		**14,488**	18,644
Total current liabilities		**199,591**	174,804
Total liabilities		**199,591**	174,804
Total equity and liabilities		**382,926,552**	382,683,693

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

The report of the auditor is set out on pages 2 to 4.

The special purpose separate financial statements on pages 5 to 19 were approved on May 06, 2026 and signed on behalf of the Entity, by:

AJAY KUMAR SARAOGI
Digitally signed by AJAY KUMAR SARAOGI
Date: 2026.05.06 12:35:06 +05'30'

Authorised Signatory

J.K. Cement (Fujairah) FZC
Fujairah - United Arab Emirates

Statement of profit or loss and other comprehensive income for the year ended March 31, 2026
(In Arab Emirates Dirham)

	Apr 01, 2025 to Mar 31, 2026	Apr 01, 2024 to Mar 31, 2025
Revenue	**243,488**	1,983,150
Administrative expenses		
Professional fees	**(15,250)**	(22,699)
Trade license and other fees	**(10,017)**	(9,171)
Bank charges	**(149)**	(1,569)
Reversal of dividend	**-**	-
	(25,416)	(33,439)
Net profit before other income	**218,072**	1,949,711
Other income	**-**	-
Net profit after other income	**218,072**	1,949,711
Impairment in the value of investment	**-**	-
Reversal of impairment	**-**	-
Net profit for the year	**218,072**	1,949,711
Other comprehensive income	-	-
Total comprehensive income for the year	**218,072**	1,949,711

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

The report of the auditor is set out on pages 2 to 4.

J.K. Cement (Fujairah) FZC

Fujairah - United Arab Emirates

Statement of changes in equity for the year ended March 31, 2026

(In Arab Emirates Dirham)

	Share capital	Retained earnings	Total equity
Balance as at March 31, 2024	361,532,000	19,027,178	380,559,178
Profit for the year	-	1,949,711	1,949,711
Balance as at March 31, 2025	361,532,000	20,976,889	382,508,889
Profit for the year	-	218,072	218,072
Balance as at March 31, 2026	**361,532,000**	**21,194,961**	**382,726,961**

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

The report of the auditor is set out on pages 2 to 4.

J.K. Cement (Fujairah) FZC
Fujairah - United Arab Emirates

Statement of cash flows for the year ended March 31, 2026
(In Arab Emirates Dirham)

	Apr 01, 2025 to Mar 31, 2026	Apr 01, 2024 to Mar 31, 2025
Cash flows from operating activities		
Net profit for the year	**218,072**	1,949,711
Adjustments for:		
Revenue from investment	**(243,488)**	(1,983,150)
Operating (loss) before changes in operating assets and liabilities	**(25,416)**	(33,439)
(Increase)/decrease in current assets		
Prepayments and other current assets	**481**	(485)
Increase/(decrease) in current liabilities		
Accounts and other payables	**(4,156)**	6,808
Due to a related party	**28,943**	35,547
Net cash (used in)/from operating activities	**(148)**	8,431
Net (decrease)/increase in cash and cash equivalents	**(148)**	8,431
Cash and cash equivalents, beginning of the year	**23,087**	14,656
Cash and cash equivalents, end of the year	**22,939**	23,087
Cash and cash equivalents		
Cash at bank	**22,939**	23,087
	22,939	23,087

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

The report of the auditor is set out on pages 2 to 4.

1 Legal status and business activities

1.1 **M/s. J.K. Cement (Fujairah) FZC, Fujairah Free Zone,** Fujairah - United Arab Emirates (the "Entity") was incorporated on February 11, 2008 as a Free Zone Company in accordance with the provisions of United Arab Emirates Federal Law No. (8) of 1984 concerning commercial companies as amended and the Free Zone Regulations of the Emirate of Fujairah. The Entity was registered in the trade registry on February 11, 2008 under No. 08-FZC-731.

1.2 The Entity is licensed to carry on the business of trading and investment in cement and allied products.

1.3 The registered address of the Entity is P.O. Box: 5325, Fujairah - United Arab Emirates.

1.4 The shareholders of the Entity are as follows:

i) M/s. J.K. Cement Ltd (the "Parent Entity") (A corporate legal entity formed under the laws of Republic of India).

ii) Mr. Ajay Kumar Saraogi (A citizen of Republic of India).

2 New accounting standards and amendments

2.1 New accounting standards, amendments and IFRS interpretations that are effective for the current year

The following standards, amendments and interpretations are effective for the current year begins on or after January 01, 2025. These standards, amendments and interpretations are either not relevant to the Entity's operations or are not expected to have significant impact on the Entity's special purpose separate financial statements other than certain additional disclosures.

a) Amendments to IAS 21: The effects of changes in foreign exchange rates 'Lack of exchangeability' - Effective for annual periods beginning on or after January 01, 2025.

b) Amendments to IAS 1: Presentation of financial statements 'classification of liabilities as current or non-current' - Effective for annual periods beginning on or after January 01, 2024.

c) Amendments to IAS 1: Presentation of financial statements 'non-current liabilities with covenants' - Effective for annual periods beginning on or after January 01, 2024.

d) Amendments to IAS 7: Statement of cash flows and to IFRS 7: Financial instruments disclosure 'supplier finance arrangements' - Effective for annual periods beginning on or after January 01, 2024.

Certain annual improvements have also been made to a number of IFRSs.

2.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Entity's operations or are not expected to have significant impact on the Entity's special purpose separate financial statements other than certain additional disclosures.

a) IFRS 18: Presentation and disclosures in financial statements - Effective for annual periods beginning on or after January 01, 2027.

b) IFRS 19: Subsidiaries without public accountability disclosures - Effective for annual periods beginning on or after January 01, 2027.

2 New accounting standards and amendments (continued)

2.2 New accounting standards, amendments and IFRS interpretations that are not yet effective (continued)

c) Annual Improvements to IFRS Standards – Volume 11 (various standards): Clarifications and minor changes. Effective January 01, 2026.

d) Amendments IFRS 9: financial instruments and IFRS 7: financial instruments disclosures 'Classification and measurement of special purpose separate financial instruments' on or after January 01, 2026.

Certain annual improvements have also been made to a number of IFRSs.

3 Significant notes

3.1 Special purpose separate financial statements

The special purpose separate financial statements have been prepared for twelve months period from April 01, 2025 to March 31, 2026 in order to align the financial information of the Entity with Parent's (JK Cement Ltd. - India) financial year end as on March 31, 2026 to enable them to prepare consolidated financial statements. Therefore, these special purpose separate financial statements may not be suitable for any other purpose.

4 Significant accounting policies

4.1 Statement of compliance

These special purpose separate financial statements for the year ended March 31, 2026 has been prepared in accordance with International Accounting Standard and comply with the relevant Articles of the Entity's Memorandum of Association and the UAE Federal Law No. (2) of 2015. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

4.2 Basis of preparation

The special purpose separate financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values, as explained in the accounting policies as follows.

Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

The principal accounting policies applied in these special purpose separate financial statements are set out as follows.

4.3 Current/non-current classification

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

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

All other assets are classified as non-current.

4 Significant accounting policies (continued)

4.3 Current/non-current classification (continued)

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Entity classifies all other liabilities as non-current.

4.4 Fair value measurement

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

In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible to by the Entity.

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

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

4.5 Foreign currency

The transactions in currencies other than the Entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. The non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

4.6 Investments in a subsidiary

The investments in a subsidiary is accounted for using cost method as in compliance with IAS 27 “Separate Financial Statements”.

4.7 Financial instruments

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

<u>Classifications</u>

The Entity classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI "FVTOCI", or through profit or loss "FVTPL"), and

4 Significant accounting policies (continued)

4.7 Financial assets (continued)

Classifications (continued)

- those to be measured at amortised cost.

The classification depends on the Entity's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets comprise cash and bank balances and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Receivables

Receivable balances that are held to collect are subsequently measured at the lower of amortized cost or the present value of estimated future cash flows. The present value of estimated future cash flows is determined through the use of value adjustments for uncollectable amounts. The Entity assesses on a forward-looking basis the expected credit losses associated with its receivables and adjusts the value to the expected collectible amounts.

Receivables are written off when they are deemed uncollectible because of bankruptcy or other forms of receivership of the debtors. The assessment of expected credit losses on receivables takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region and other forward-looking information.

Impairment of financial assets

The Entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

The Entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset.

4 Significant accounting policies (continued)

4.8 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Entity's financial liabilities include accounts and other payables and due to a related party.

Accounts and other payables

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Due to related parties

Amounts due to a related party is stated at amortised cost.

Derecognition of financial liabilities

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

4.9 Offsetting financial instruments

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

4.10 Provisions

Provisions are recognised when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

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

4.11 Revenue recognition

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

4 Significant accounting policies (continued)

4.12 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

The significant judgements and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described as follows.

Critical judgements in applying accounting policies

In the process of applying the Entity’s accounting policies, which are described above, and due to the nature of operations, management has not made any judgement that may have the most significant effect on the amounts recognised in the special purpose separate financial statements.

Key sources of estimation uncertainty

The key assumptions 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 discussed as follows.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Entity’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the relevant notes to the special purpose separate financial statements.

5	**Investment in a subsidiary**	**Mar 31, 2026**	Mar 31, 2025
5.1	**Investment in shares**		
	Balance at the beginning of the year	**365,829,000**	360,375,000
	Additions during the year	**17,066,000**	5,454,000
	Balance at the end of the year	**382,895,000**	365,829,000

This investment represent 100% redeemable preference shares and 90% equity shares in M/s. J.K. Cement Works (Fujairah) - FZC (the "Subsidiary"). The Subsidiary is fully controlled and managed by the Entity and is licensed to carry on the business of manufacturing all types of cements and allied products. The Investment in a Subsidiary has been accounted at cost in these special purpose separate financial statement in as an exemption to consolidate in accordance with IFRS 10 "Consolidated Financial Statements".

During the year, the Subsidiary company issued equity shares upon conversion of Compulsorily Convertible Preference Shares (CCPS) and settlement of accumulated dividends. In previous period, 16,526 shares were issued for CCPS conversion and 5,454 shares for accumulated dividends, in current period, 49,579 shares were issued for CCPS conversion and 17,066 shares for accumulated dividends. All shares were issued at a nominal value of AED 1,000 each.

Classification:	**Mar 31, 2026**	Mar 31, 2025
Compulsory Convertible Preference Shares (90% ownership)	**-**	49,579,000
Share capital (90% ownership)	**121,677,000**	55,032,000
Redeemable preference shares	**261,218,000**	261,218,000
Total investment in a subsidiary	**382,895,000**	365,829,000

6	**Dividend receivable**	**Mar 31, 2026**	Mar 31, 2025
	Balance at the beginning of the year	**16,822,512**	20,293,362
	Interest income on convertible preference shares	**243,488**	1,983,150
	Transferred to investment upon conversion of compulsory preference shares	**(17,066,000)**	(5,454,000)
	Balance at the end of the year	**-**	16,822,512

During the year, the Subsidiary company issued equity shares in lieu of accumulated dividends on Compulsorily Convertible Preference Shares (CCPS). A total of 5,454 shares were issued in previous period and 17,066 shares were issued in current period, at a nominal value of AED 1,000 per share.

During the year, the Entity accepted shares in lieu of accrued dividends on compulsory convertible preference shares, resulting in the issuance of ordinary shares amounting to AED 17,066,000.

7 Related party transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related Party Disclosures. Such transactions are in the normal course of business and at terms that are decided by the management with third parties. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

7 Related party transactions (continued)

a) Due to a related party

	Mar 31, 2026	Mar 31, 2025
J.K. Cement Works (Fujairah) FZC, Fujairah - U.A.E.	**185,103**	156,160

8 Share capital

The Entity's issued and paid-up capital at the reporting date is made up of 361,532 shares of AED 1,000 each totaling to AED 361,532,000.

	Mar 31, 2026	Mar 31, 2025
Authorised equity capital (Made up of 755,000 ordinary shares of AED 1,000 each)	**755,000,000**	755,000,000
Authorised cumulative compulsory convertible preference share capital (Made up of 75,000 shares of AED 1,000 each)	**75,000,000**	75,000,000
Authorised cumulative redeemable preference share capital (Made up of 370,000 shares of AED 1,000 each)	**370,000,000**	370,000,000

8.1 Issued and paid up: ordinary equity shares

The Entity's issued and paid-up capital at the reporting date is made up of 361,532 shares of AED 1,000 each totalling to AED 361,532,000.

	Mar 31, 2026	Mar 31, 2025
Ordinary equity shares	**361,532,000**	361,532,000

9 Financial instruments

a) *Significant accounting policies*

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 4 to the special purpose separate financial statements.

b) *Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis.*

	Mar 31, 2026	Mar 31, 2025	**Mar 31, 2026**	Mar 31, 2025
Financial assets	**Carrying amount**		**Fair value**	
Dividend receivable	**-**	16,822,512	**-**	16,822,512
Cash and bank balances	**22,939**	23,087	**22,939**	23,087
	22,939	16,845,599	**22,939**	16,845,599
Financial liabilities				
Due to a related party	**185,103**	156,160	**185,103**	156,160
Accounts and other payables	**14,488**	18,644	**14,488**	18,644
	199,591	174,804	**199,591**	174,804

9 Financial instruments (continued)

b) *Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis (continued)*

Financial instruments comprise of financial assets and financial liabilities.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

Financial assets consist of dividend receivable and cash and bank balances. Financial liabilities consist of due to a related party and accounts and other payables.

As at the reporting date, financial assets and financial liabilities approximate their carrying values.

10 Financial risk management objectives

The Entity management set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Entity's policy guidelines are complied with.

There has been no change to the Entity's exposure to these financial risks or the manner in which it manages and measures the risk.

The Entity is exposed to the following risks related to financial instruments. The Entity has not framed formal risk management policies, however, the risks are monitored by management on a continuous basis. The Entity does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

a) *Foreign currency risk management*

There are no significant exchange rate risks, as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirham or US Dollar to which the Arab Emirates Dirham is fixed.

b) *Interest rate risk management*

As at the reporting date, there is no significant interest rate risk as there are no borrowings at floating interest rates as at year end.

c) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Entity has access to interest free loans from its shareholders at its disposal to further reduce liquidity risk.

10 Financial risk management objectives (continued)

c) *Liquidity risk management (continued)*

Liquidity and interest risk table:

The table below summarises the maturity profile of the Entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the financial position date based on contractual repayment arrangements were shown as follows:

	Interest bearing			**Non Interest bearing**			
Particulars	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**Total**
				As at March 31, 2026			
Financial assets							
Cash and bank balances	**-**	**-**	**-**	**22,939**	**-**	**-**	**22,939**
	-	**-**	**-**	**22,939**	**-**	**-**	**22,939**
Financial liabilities							
Due to a related party	**-**	**-**	**-**	**-**	**185,103**	**-**	**185,103**
Accounts and other payables	**-**	**-**	**-**	**-**	**14,488**	**-**	**14,488**
	-	**-**	**-**	**-**	**199,591**	**-**	**199,591**
				As at March 31, 2025			
Financial assets							
Dividend receivable	-	-	-	-	-	16,822,512	16,822,512
Cash and bank balances	-	-	-	23,087	-	-	23,087
	-	-	-	23,087	-	16,822,512	16,845,599
Financial liabilities							
Due to a related party	-	-	-	-	156,160	-	156,160
Accounts and other payables	-	-	-	-	18,644	-	18,644
	-	-	-	-	174,804	-	174,804

d) *Credit risk management*

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly.

10 Financial risk management objectives (continued)

d) *Credit risk management (continued)*

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the special purpose separate financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

11 Capital risk management

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance. The Entity's overall strategy remains unchanged from prior year.

The capital structure of the Entity consists of equity comprising issued capital and retained earnings as disclosed in the special purpose separate financial statements.

12 Contingent liabilities

Except for the ongoing business obligations which are under normal course of business, there has been no other known contingent liability on the Entity's special purpose separate financial statements as at the reporting date.

13 Commitments

Except for the ongoing business obligations which are under normal course of business, there has been no other known commitment on the Entity's special purpose separate financial statements as at the reporting date.