

J.K. Cement Works (Fujairah) FZC and its Subsidiaries
Fujairah Free Zone
Fujairah - United Arab Emirates

Auditor's Report and Special Purpose Consolidated Financial Statements
For the year ended March 31, 2026



J.K. Cement Works (Fujairah) FZC and its subsidiaries

Fujairah Free Zone

Fujairah - United Arab Emirates

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Ref: JM/AR/2026/26495

Independent Auditor's Report

To,

The Shareholders

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

Fujairah Free Zone

Fujairah - United Arab Emirates

Report on the Audit of the Special Purpose Consolidated Financial Statements

Opinion

We have audited the accompanying special purpose consolidated financial statements of **M/s. J.K. Cement Works (Fujairah) FZC** (the "Parent Entity") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at March 31, 2026 and the consolidated statements of profit or loss and other comprehensive income, changes in equity, cash flows for the year then ended and notes to the special purpose consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying special purpose consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026 and its consolidated financial performance and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), issued by International Ethics Standards Board for Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the special purpose consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Preparation and Restriction on Distribution and Use

We draw attention to note 4 to these special purpose consolidated financial statements which describes the basis of preparation. These special purpose consolidated financial statements have been prepared for the year ended March 31, 2026 for the purpose of providing information which is aligned with the financial year of M/s. J.K. Cement Ltd., Kanpur - India (the "Ultimate Parent") to enable them to prepare consolidated financial statements of the Ultimate Parent and therefore may not be suitable for any other purpose. Our report is intended solely for the Ultimate Parent and should not be distributed to other parties. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the special purpose consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the Rules and Regulations framed pursuant to Emiri Decree No. 6 of 1987 issued in Fujairah in respect of the creation of Free Zone, amended by Emiri Decree No. 1 for the year 1992 and Emiri Decree No. 01 for the year 2004, and for such internal control as management determines is necessary to enable the preparation of special purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report to the Shareholders of J.K. Cement Works (Fujairah) FZC (continued)

Responsibilities of Management and Those Charged with Governance for the Special Purpose Consolidated Financial Statements (continued)

In preparing the special purpose 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 Special Purpose Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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. 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 consolidated 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 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 special purpose 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 special purpose consolidated financial statements, including the disclosures, and whether the special purpose consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

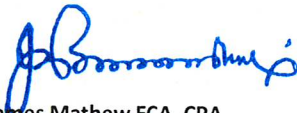
Independent Auditor's Report to the Shareholders of J.K. Cement Works (Fujairah) FZC (continued)

Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the special purpose consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

For UHY James Chartered Accountants LLC



James Mathew FCA, CPA

Managing Partner

Reg. No. 548

May 16, 2026

Dubai - United Arab Emirates



J.K. Cement Works (Fujairah) FZC and its Subsidiaries
Fujairah Free Zone
Fujairah - United Arab Emirates

Consolidated Statement of Financial Position as at March 31, 2026
(In Arab Emirates Dirham)

	<u>Notes</u>	<u>2026</u>	<u>2025</u>
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	7	283,749,166	303,574,815
Intangible asset	8	8,006,427	8,304,874
Right-of-use assets	9	-	56,317
Deferred tax asset	10	-	301,411
<i>Total non-current assets</i>		<u>291,755,593</u>	<u>312,237,417</u>
<i>Current assets</i>			
Inventories	11	52,479,648	59,187,812
Trade receivables	12	49,766,320	44,835,240
Due from related parties	13	2,157,479	4,828,050
Advances, deposits and other receivables	14	62,726,315	29,124,994
Cash and bank balances	15	2,520,397	1,563,222
<i>Total current assets</i>		<u>169,650,159</u>	<u>139,539,318</u>
Total assets		<u><u>461,405,752</u></u>	<u><u>451,776,735</u></u>
Equity and liabilities			
<i>Equity</i>			
Share capital	16	135,196,000	61,146,000
Capital contribution	19(b)	243,951,225	243,951,225
Equity component of redeemable preference shares	19(a)	36,582,463	47,515,869
Equity component of compulsory convertible preference shares	17(a)	-	34,077,934
Accumulated (losses)	18	(279,887,037)	(276,251,632)
Foreign exchange translation reserve		1,040,838	1,139,884
<i>Total equity</i>		<u>136,883,489</u>	<u>111,579,280</u>
<i>Non-current liabilities</i>			
Liability component of compulsory convertible preference shares	17(b)	-	2,592,257
Redeemable preference shares and application money	19	224,635,538	213,702,132
Employees' end of service benefits	20	6,020,534	5,216,386
Dividend payable on preference shares	21	-	18,691,681
Lease liabilities	23	25,916,828	29,843,824
Deferred tax liability		13,932	-
<i>Total non-current liabilities</i>		<u>256,586,832</u>	<u>270,046,280</u>



J.K. Cement Works (Fujairah) FZC and its Subsidiaries

Fujairah Free Zone

Fujairah - United Arab Emirates

Consolidated Statement of Financial Position as at March 31, 2026 (continued)

(In Arab Emirates Dirham)

	<u>Notes</u>	<u>2026</u>	<u>2025</u>
Equity and liabilities (continued)			
<i>Current liabilities</i>			
Bank borrowings	22	2,860,091	5,698,298
Lease liabilities	23	3,921,695	3,654,110
Trade and other payables	24	61,153,645	60,798,767
<i>Total current liabilities</i>		<u>67,935,431</u>	<u>70,151,175</u>
Total liabilities		<u>324,522,263</u>	<u>340,197,455</u>
Total equity and liabilities		<u>461,405,752</u>	<u>451,776,735</u>

The accompanying notes on pages 10 to 40 form an integral part of these special purpose consolidated financial statements.

The report of the auditor is set out on pages 1 to 3.

The special purpose consolidated financial statements on pages 4 to 40 were approved on May 16, 2026 and signed on behalf of the Group, by:

Managing Director
(Dr. Raghavpat Singhania)

Chief Financial Officer

Director



J.K. Cement Works (Fujairah) FZC and its Subsidiaries
Fujairah Free Zone
Fujairah - United Arab Emirates

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended March 31, 2026
(In Arab Emirates Dirham)

	Notes	For the year ended March 31,	
		2026	2025
Revenue	25	297,647,484	280,886,577
Cost of revenue	26	(196,552,262)	(182,022,533)
Gross profit		101,095,222	98,864,044
Other income	27	2,408,290	1,341,304
Reversal of financial liability and provision written back	28	-	45,468,143
Selling and distribution expenses	29	(64,901,397)	(67,653,878)
Administrative expenses	30	(18,669,278)	(15,346,299)
Directors' remuneration	13	(250,000)	(250,000)
Finance costs	31	(14,544,390)	(13,800,386)
Profit for the year before tax		5,138,447	48,622,928
Taxation	10	(733,570)	(219,993)
Profit for the year after tax		4,404,877	48,402,935
Other comprehensive income		-	-
Items that may be reclassified subsequently to consolidated statement of profit or loss and other comprehensive income:			
Exchange difference on translating foreign operation		(99,046)	563,292
Total comprehensive income for the year		4,305,831	48,966,227

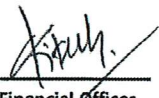
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Managing Director
(Dr. Raghavpat Singhania)

Director



Chief Financial Officer



J.K. Cement Works (Fujairah) FZC and its Subsidiaries
Fujairah Free Zone
Fujairah - United Arab Emirates

Consolidated Statement of Changes in Equity for the year ended March 31, 2026
(In Arab Emirates Dirham)

	Share capital	Capital contribution	Equity component of redeemable preference shares	Equity component of compulsory convertible preference shares	Accumulated (losses)	Foreign exchange translation reserve	Total equity
Balance as at April 01, 2024	36,724,000	243,951,225	57,917,127	52,426,891	(335,055,825)	576,592	56,540,010
Profit for the year after tax	-	-	-	-	48,402,935	-	48,402,935
Conversion of compulsory convertible preference shares upon maturity (note 17a)	24,422,000	-	-	(18,348,957)	-	-	6,073,043
Exchange difference on translating foreign operation	-	-	-	-	-	563,292	563,292
Transfer of finance cost on liability component of redeemable preference shares to capital contribution	-	-	(10,401,258)	-	10,401,258	-	-
Balance as at March 31, 2025	61,146,000	243,951,225	47,515,869	34,077,934	(276,251,632)	1,139,884	111,579,280
Conversion of compulsory convertible preference shares upon maturity (note 17a)	74,050,000	-	-	(34,077,934)	-	-	39,972,066
Profit for the year after tax	-	-	-	-	4,404,877	-	4,404,877
Exchange difference on translating foreign operation	-	-	-	-	-	(99,046)	(99,046)
Transfer of finance cost on liability component of redeemable preference shares to capital contribution	-	-	(10,933,406)	-	10,933,406	-	-
(Loss) on conversion of preference shares	-	-	-	-	(18,668,330)	-	(18,668,330)
Prior year adjustment	-	-	-	-	(305,358)	-	(305,358)
Balance as at March 31, 2026	135,196,000	243,951,225	36,582,463	-	(279,887,037)	1,040,838	136,883,489

The accompanying notes on pages 10 to 40 form an integral part of these special purpose consolidated financial statements.

The report of the auditor is set out on pages 1 to 3.



J.K. Cement Works (Fujairah) FZC and its Subsidiaries

Fujairah Free Zone

Fujairah - United Arab Emirates

Consolidated Statement of Cash Flows for the year ended March 31, 2026

(In Arab Emirates Dirham)

	For the year ended March 31,	
	2026	2025
Cash flows from operating activities		
Profit for the year before tax	5,138,447	48,622,928
<i>Adjustments for:</i>		
(Gain) on disposal of property, plant and equipment	(206,003)	(216,396)
Depreciation on property, plant and equipment	24,428,220	24,145,335
Depreciation on right-of-use assets	56,317	1,826,646
Provision for employees' end of service benefits	1,114,488	1,182,570
Allowance for expected credit loss	192,664	475,000
Allowance/(Reversal) for slow moving inventories	396,481	(245,254)
(Reversal) of financial liability on lease	-	(23,714,306)
Excess provision written back	(47,759)	(18,856,867)
Amortisation of intangible asset	298,447	299,529
Finance costs	14,544,390	13,800,386
Operating profit before changes in operating assets and liabilities	45,915,692	47,319,571
<i>(Increase)/decrease in current and non-current assets</i>		
Inventories	6,311,683	(18,771,969)
Trade receivables	(5,123,744)	(5,830,511)
Due from related parties	2,670,571	(3,390,479)
Advances, deposits and other receivables	(33,601,321)	(1,814,961)
<i>Increase/(decrease) in current liability</i>		
Trade and other payables	158,169	14,466,928
Deferred tax liability	13,932	-
Cash generated from operations	16,344,982	31,978,579
Finance costs paid	(935,721)	(684,730)
Payment of tax	(139,274)	-
Employees' end of services benefits paid	(310,340)	(251,879)
Net cash from operating activities	14,959,647	31,041,970
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5,194,118)	(9,023,765)
Proceeds from disposal of property, plant and equipment	233,106	338,542
Net cash (used in) investing activities	(4,961,012)	(8,685,223)



J.K. Cement Works (Fujairah) FZC and its Subsidiaries
 Fujairah Free Zone
 Fujairah - United Arab Emirates

Consolidated Statement of Cash Flows for the year ended March 31, 2026 (continued)
 (In Arab Emirates Dirham)

	<u>2026</u>	<u>2025</u>
Cash flows from financing activities		
(Repayments) of bank borrowings - net	(2,838,207)	(16,336,702)
(Repayments) of lease liabilities	(6,104,207)	(8,212,867)
Net cash (used in) financing activities	(8,942,414)	(24,549,569)
Net increase/(decrease) in cash and cash equivalents	1,056,221	(2,192,822)
Net movement in translation reserve net of taxation	(99,046)	563,292
Cash and cash equivalents at the beginning of the year	1,563,222	3,192,752
Cash and cash equivalents at the end of the year (note 15)	2,520,397	1,563,222

The accompanying notes on pages 10 to 40 form an integral part of these special purpose consolidated financial statements.

The report of the auditor is set out on pages 1 to 3.

The special purpose consolidated financial statements on pages 4 to 40 were approved on May 16, 2026 and signed on behalf of the Group, by:

 Managing Director
 (Dr. Raghavpat Singhania)



 Chief Financial Officer

 Director



J.K. Cement Works (Fujairah) FZC and its Subsidiaries

Fujairah Free Zone

Fujairah - United Arab Emirates

Notes to the Special Purpose Consolidated Financial Statements for the year ended March 31, 2026

1 Legal status and business activities

- 1.1 M/s. J.K. Cement Works (Fujairah) FZC, Fujairah Free Zone, Fujairah - United Arab Emirates (the "Parent Entity") was registered on March 17, 2008 as a Free Zone Company and operates in the United Arab Emirates under Commercial license no. 2249 issued by the Fujairah Free Zone Authority, Fujairah - United Arab Emirates.
- 1.2 The Parent Entity is licensed to engage in manufacturing and trading (export & import) of all types of cement, limestone, pet coke, kaolin, feldspar, fluorspar, silica sand, gypsum, construction chemicals, drymix, paints and other allied products.
- 1.3 The registered address of the Parent Entity is P.O. Box: 5325, Fujairah Free Zone, Fujairah - United Arab Emirates.
- 1.4 The Parent Entity is a step down subsidiary of M/s. J.K. Cement Ltd. "Ultimate Parent", an Indian company incorporated under the Companies Act 1956. The management and control of the Parent Entity are vested with the Board of Directors and day to day affairs of the Parent Group are controlled and managed by Mr. Ajay Kumar Saraogi, who is responsible to the Board, and Managing Director, Mr. Raghavpat Singhania.
- 1.5 These special purpose consolidated financial statements also incorporate the operating results of M/s. Whitemaxx Kenya (Branch), Registration no. FC-KXTDB2.
- 1.6 The Parent Entity has the following subsidiary over which it exercises effective control:

	<u>Name of the subsidiary and domicile</u>	<u>Percentage of shareholding</u>		<u>Percentage of control</u>		<u>Date of incorporation</u>	<u>Principal activities</u>
		2026	2025	2026	2025		
i)	M/s. JK White Cement (Africa) Limited - Tanzania	99.9%	99.9%	100%	100%	November 04, 2018	It is engaged in the business of manufacturing/trading/import/export of all types of cement, wall putty, other allied products, cement clinker, limestone, gypsum, coal and other allied products including value added products.
ii)	M/s. J.K White Cement Fujairah LLC - U.A.E. *	49%	49%	100%	100%	March 10, 2022	The principal activity of the Group is white cement manufacturing, importing, exporting, wholesale of cement products trading, and cement products manufacturing.

* Though the Parent Entity holds 49% equity interest, it has power to govern the investee entity as the power to appoint the Board of Directors have been vested with the Parent Entity.



J.K. Cement Works (Fujairah) FZC and its Subsidiaries

Fujairah Free Zone

Fujairah - United Arab Emirates

Notes to the Special Purpose Consolidated Financial Statements for the year ended March 31, 2026

1 Legal status and business activities (continued)

1.6 The Parent Entity has the following subsidiary over which it exercises effective control (continued):

	<u>Name of the subsidiaries and domicile</u>	<u>Percentage of shareholding</u>		<u>Percentage of control</u>		<u>Date of incorporation</u>	<u>Principal activities</u>
		2026	2025	2026	2025		
iii)	M/s. JK Drychem industries LLC, Ras Al Khaimah - U.A.E.	99%	-	100%	-	October 06, 2025	The principal activity of the subsidiary is to manufacturing of ready mix concrete and mortars manufacturing, construction plastic products manufacturing Gypsum, paints and varnishes manufacturing and activated carbon, auxiliary agents and anti corrosions chemicals manufacturing and cements manufacturing activities. 1% (3 shares) amounting to AED 3,000 is held by Mr. Ajay Kumar Saraogi, son of Shri Kishan Saraogi, an Indian national, for the benefit of J.K. Cement Works (Fujairah) FZC.

2 New standards and amendments

2.1 New standards and amendments applicable as on April 01, 2025

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after April 01, 2025.

- Amendments to IAS 21 - Lack of Exchangeability

The management believes that the adoption of the above amendments effective for the current accounting period has not had any material impact on the recognition, measurement, presentation and disclosure of items in the special purpose consolidated financial statements.

2.2 New standards and amendments issued but not effective for the current annual period

The following standards and interpretations had been issued but not yet mandatory for annual reporting periods ending March 31, 2026.

- Amendments to IFRS 9 and IFRS 7 - Amendments to the classification and measurement of financial instruments.
- Amendments to IFRS 9 and IFRS 7 - Contracts referencing nature-dependent electricity.
- IFRS 18 Presentation and Disclosures in Financial Statements.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.



J.K. Cement Works (Fujairah) FZC and its Subsidiaries

Fujairah Free Zone

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Notes to the Special Purpose Consolidated Financial Statements for the year ended March 31, 2026

2 New standards and amendments (continued)

2.2 New standards and amendments issued but not effective for the current annual period (continued)

- Annual improvements to IFRS Accounting Standards - Volume 11.

Management anticipates that these new standards, interpretations and amendments will be adopted in the special purpose consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the special purpose consolidated financial statements in the period of initial application.

3 Statement of compliance

The special purpose consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and applicable U.A.E. laws. These special purpose consolidated financial statements are presented in Arab Emirates Dirham (AED) which is the Group's functional and presentation currency.

4 Basis of preparation

These special purpose consolidated financial statements have been prepared for the year ended March 31, 2026 for the purpose of providing information which is aligned with the financial year of M/s. J.K. Cement Ltd., Kanpur - India (the "Ultimate Parent") to enable them to prepare consolidated financial statements of the Ultimate Parent. The special purpose consolidated financial statements have been prepared on the historical cost basis except for 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 consolidated financial statements are set out as follows.

5 Basis of consolidation

The Group's special purpose consolidated financial statements consolidate those of the Parent Entity and all of its subsidiaries over which the Group exercises control. The Parent Entity controls an investee if all three of the following elements are present:

- power over the investee
- exposure to variable returns from the investee, and
- the ability of the investor to use its power to affect those variable returns.

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. De-facto control exists in situations where the Parent Entity has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Parent Entity considers all relevant facts and circumstances, including:

- The size of the Parent Entity's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the Parent Entity and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance

The special purpose consolidated financial statements present the results of the Parent Entity and its subsidiaries ("the Group") as if they formed a single group. All transactions and balances between group companies are eliminated on consolidation, including unrealised gains and losses on transactions between group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.



J.K. Cement Works (Fujairah) FZC and its Subsidiaries

Fujairah Free Zone

Fujairah - United Arab Emirates

Notes to the Special Purpose Consolidated Financial Statements for the year ended March 31, 2026

5 Basis of consolidation (continued)

Profit or loss and other comprehensive income of subsidiaries acquired or disposed off during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement.

Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

6 Material accounting policies

6.1 Current/Non current classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in 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.

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 Group classifies all other liabilities as non-current.

6.2 Fair value measurement

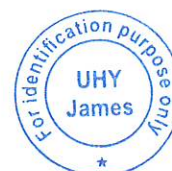
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes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

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 best economic 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.



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Notes to the Special Purpose Consolidated Financial Statements for the year ended March 31, 2026

6 Material accounting policies (continued)

6.3 Foreign currency

In preparing the special purpose consolidated financial statements of the Group, transactions in currencies other than the Group'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. 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 the consolidated statement of profit or loss and other comprehensive income in the period in which they arise.

Consolidation

On consolidation, the assets and liabilities of the Group's foreign operations are translated into Arab Emirates Dirham (AED) at exchange rates prevailing on the date of end of each reporting period. Goodwill and fair value adjustments arising on the acquisition of a foreign Group are also translated at exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences are recognised in consolidated statement of other comprehensive income and are presented in the translation reserve in equity. On disposal of overseas subsidiary or when significant influence is lost, the cumulative translation differences are recognised as income or expense in the period in which they are disposed off.

Foreign exchange differences

Exchange differences on monetary items are recognised in the consolidated statement of profit or loss in the period in which they arise except for exchange differences that relate to assets under construction for future productive use. These are included in the cost of those assets when they are regarded as an adjustment to interest costs on foreign currency borrowings. Exchange differences on transactions entered into to hedge certain foreign currency risks and exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation are recognized initially in consolidated statement of other comprehensive income and reclassified from equity to the consolidated statement of other comprehensive income on disposal of net investment.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortised cost, exchange differences are recognised in consolidated statement of profit or loss and other comprehensive income.

6.4 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation is spread over its useful lives so as to write off the cost of property, plant and equipment using the straight-line method over its useful lives as follows:



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Notes to the Special Purpose Consolidated Financial Statements for the year ended March 31, 2026

6 Material accounting policies (continued)

6.4 Property, plant and equipment (continued)

	<u>Years</u>
Building and improvements	5 - 25
Plant and machinery	4 - 25
Motor vehicles	5
Furniture, fixtures, office equipment and others	3 - 5

When part of an item of property, plant and equipment have different useful lives, they are accounted for separately.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of profit or loss and other comprehensive income.

Capital work-in-progress

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

6.5 Leases

The Group assesses at the inception of a contract, whether the contract is or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

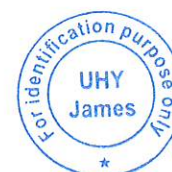
- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

6.5.1 Group as lessee

The Group applies a single recognition and measurement approach for all leases whereby right-of-use assets and lease liabilities are recognized except for the short-term leases and leases of low-value assets.

Right-of-use assets

The Group recognizes right-of-use assets at the lease commencement date i.e. the date on which the assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of assets comprise the amount of initial lease liabilities recognised adjusted with any prepayments or accruals, initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and lease payments made at or before the commencement date less any lease incentives received. In addition, the Group also assesses the right-of-use asset for impairment when such indicators exist.



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Notes to the Special Purpose Consolidated Financial Statements for the year ended March 31, 2026

6 Material accounting policies (continued)

6.5 Leases (continued)

6.5.1 Group as lessee (continued)

Depreciation is spread over the shorter of lease term and the estimated useful lives of the assets using straight-line method. The shorter of lease term and the estimated useful lives of the right-of-use assets have been listed below:

	<u>Years</u>
Land	16.5
Motor vehicles	3

Lease liabilities

At the commencement date, the Group measures lease liabilities at present value of the lease payments that are not paid at that date. The lease payments include fixed payments less any lease incentives receivable, variable lease payments, amount expected to be paid as guaranteed residual value, the exercise price of a purchase option if the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease. The Group uses its incremental borrowing rate if interest rate implicit in the lease is not readily determinable, to measure the present value of lease payments.

Subsequent to initial measurement, the Group remeasures lease by increasing the carrying amount to reflect interest on the lease liabilities and reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount is remeasured if there are modification in lease contracts or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or consolidated statement of profit and loss and other comprehensive income if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

The Group elects not to recognize right-of-use assets and lease liability for short term lease contracts (i.e. lease period less than or equal to 12 months from the date of commencement) and for low value assets. The Group recognises payments associated with these leases as an expense on a straight-line basis over the lease term.

6.6 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

6.7 Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.



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6 Material accounting policies (continued)

6.7 Impairment of tangible and intangible assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount. The reversal of impairment loss is limited so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

6.8 Financial instruments

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

Financial assets

Classification

The Group 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

- those to be measured at amortised cost.

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

Measurement

At initial recognition, the Group 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 the consolidated statement of profit or loss and other comprehensive income.

Financial assets comprise of cash and cash equivalents, trade and other receivables, deposits and due from related

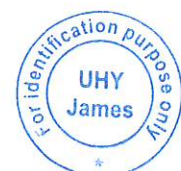
Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and current account with banks.

Trade receivables

Trade receivables 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 Group assesses on a forward-looking basis the expected credit losses associated with its trade receivables and adjusts the value to the expected collectible amounts.

Trade 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 trade 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.



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Notes to the Special Purpose Consolidated Financial Statements for the year ended March 31, 2026

6 Material accounting policies (continued)

6.8 Financial instruments (continued)

Financial assets (continued)

Due from related parties

Amounts due from related parties are stated at amortised cost.

Impairment of financial assets

For trade receivables and due from related parties, the Group 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 Group 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 group. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

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, borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings.

Trade and other payables

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

Loans and other borrowings

Loans and other borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted on accrual basis and are added to the carrying value of the instruments to the extent that they are not settled in the period in which they arise.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group'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 consolidated statement of profit or loss and other comprehensive income.

6.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated 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.



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Notes to the Special Purpose Consolidated Financial Statements for the year ended March 31, 2026

6 Material accounting policies (continued)

6.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Cost of inventories comprises of costs of purchase, and where applicable cost of conversion and other costs that has been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

6.11 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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.

6.12 Taxation

Current tax assets and liabilities

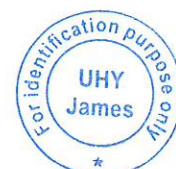
Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax liabilities/assets for the current and prior periods are measured at the amount expected to be paid to/recovered from the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). Deferred taxes are recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amount used for taxation purposes (tax base of the asset or liability). The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted by the reporting date.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Additional income taxes that arise from the distribution of the dividends are recognized at the same time when the liability to pay the related dividend is recognized.



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Notes to the Special Purpose Consolidated Financial Statements for the year ended March 31, 2026

6 Material accounting policies (continued)

6.12 Taxation (continued)

Deferred tax assets and liabilities (continued)

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

6.13 Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service subject to the completion of a minimum service period as per the U.A.E. laws. The expected costs of these benefits are accrued over the period of employment.

6.14 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

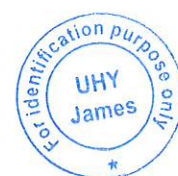
Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.



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Notes to the Special Purpose Consolidated Financial Statements for the year ended March 31, 2026

6 Material accounting policies (continued)

6.14 Revenue recognition (continued)

Sale of goods

Revenue from the sale of goods in normal course of business is recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods to the customer.

The consideration expected by the Group may include fixed or variable amounts which can be impacted by sales returns, trade discounts and volume rebates. Revenue for the sale of goods is recognized when control of the asset is transferred to the buyer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods are accounted for separately based on their stand-alone selling prices. Revenue is recorded net of Value Added Tax (VAT). A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For products for which a right of return exists during a defined period, revenue recognition is determined based on the historical pattern of actual returns, or in cases where such information is not available, revenue recognition is postponed until the return period has lapsed.

6.14.1 Performance obligation

The performance obligation is satisfied on delivery of clinker/cement in case of sales within U.A.E. and on shipping/delivery in case of sales outside U.A.E. depending upon the contractual terms agreed with the customers.

6.15 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group'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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

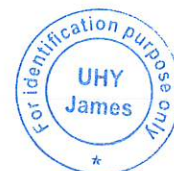
The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described as follows.

Critical judgements in applying accounting policies

In the process of applying the Group's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognised in the special purpose consolidated financial statements.

Determining the timing of satisfaction of performance obligations - revenue recognition

In making their judgement, the Group considers the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Group has transferred control of the goods to the customer. The management is satisfied that control has been transferred and that recognition of revenue in the current year is appropriate as there are no warranties beyond satisfaction of delivery terms.



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Notes to the Special Purpose Consolidated Financial Statements for the year ended March 31, 2026

6 Material accounting policies (continued)

6.15 Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying accounting policies (continued)

Business model assessment - classification and measurement of special purpose consolidated financial statements

Classification and measurement of financial assets depends on the results of business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Lease term - the Group as lessee

The Group determines lease term as the non-cancellable period of a lease together with any periods covered with an option to extend or terminate. The management applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease contract. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate it.

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.

Net realisable value of inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its realizable value, if required, are made for estimated obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues.

Useful lives of property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Leasehold improvements

Management determines the estimated useful life and related depreciation charges for its leasehold improvements. This estimate is based on an assumption that the Group will renew its annual lease over the estimated useful life of the asset. It could change significantly should the annual lease not be renewed. Management will increase the depreciation charge where the useful life is less than the previously estimated useful

Incremental borrowing rate for leases

The Group uses incremental borrowing rate to measure lease liabilities if interest rate implicit in the lease is not readily determinable. Incremental borrowing rate represents the rate of interest that Group would have to pay on funds necessary to obtain a similar asset, on similar term, with a similar security in a similar economic environment. The management estimates incremental borrowing rate using observable inputs and Group specific estimates.



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Notes to the Special Purpose Consolidated Financial Statements for the year ended March 31, 2026

6 Material accounting policies (continued)

6.15 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement 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. Details of the key assumptions and inputs used are disclosed in the relevant notes to the special purpose consolidated financial statements.

Income and deferred taxation

The Group incurs significant amounts of income tax payable, and also recognises significant changes to deferred tax assets and deferred tax liabilities, all of which are based on management's interpretations of applicable laws and regulations. The quality of these estimates are highly dependent upon management's ability to properly apply at times a very complex set of rules, to recognise changes in applicable rules and, in the case of deferred tax assets, management's ability to project future earnings from activities that may apply loss carry forward positions against future income taxes.



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(In Arab Emirates Dirham)

7 Property, plant and equipment	Building and improvements	Plant and machinery	Motor vehicles	Furniture, fixtures, office equipment and others	Capital work-in-progress	Total
Cost						
As at April 01, 2024	110,608,929	421,212,647	5,374,543	6,056,352	30,099	543,282,570
Addition during the year	18,665	3,706,762	384,150	781,863	4,132,325	9,023,765
Transferred during the year	-	3,932,367	-	-	(3,932,367)	-
Disposals during the year	-	(3,120)	(1,843,113)	(31,281)	-	(1,877,514)
Effect of foreign exchange translation	-	-	-	20	-	20
As at March 31, 2025	110,627,594	428,848,656	3,915,580	6,806,954	230,057	550,428,841
Addition during the year	355,235	2,566,763	549,374	1,245,138	477,608	5,194,118
Transferred during the year	-	271,221	-	-	(271,221)	-
Disposals during the year	-	(721,342)	(224,000)	(261,095)	-	(1,206,437)
Effect of foreign exchange translation	-	-	-	(13,171)	-	(13,171)
As at March 31, 2026	110,982,829	430,965,298	4,240,954	7,777,826	436,444	554,403,351
Accumulated depreciation						
As at April 01, 2024	49,484,168	167,917,979	3,507,255	3,555,354	-	224,464,756
Charge for the year	5,060,210	18,026,967	266,104	792,054	-	24,145,335
Elimination on disposal during the year	-	(2,964)	(1,750,822)	(1,582)	-	(1,755,368)
Effect of foreign exchange translation	-	-	-	(697)	-	(697)
As at March 31, 2025	54,544,378	185,941,982	2,022,537	4,345,129	-	246,854,026
Charge for the year	5,043,486	17,938,493	571,591	874,650	-	24,428,220
Elimination on disposal during the year	-	(339,676)	(37,098)	(249,396)	-	(626,170)
Effect of foreign exchange translation	-	-	-	(1,891)	-	(1,891)
As at March 31, 2026	59,587,864	203,540,799	2,557,030	4,968,492	-	270,654,185
Carrying value as at March 31, 2026	51,394,965	227,424,499	1,683,924	2,809,334	436,444	283,749,166
Carrying value as at March 31, 2025	56,083,216	242,906,674	1,893,043	2,461,825	230,057	303,574,815



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7 Property, plant and equipment (continued)

Notes:

- Building and improvements represent factory constructed on leasehold Plot no. 7, Block K, Habhab, Tawain, Fujairah - United Arab Emirates. The said plot is obtained on lease from Fujairah Municipality, Fujairah - United Arab Emirates. It also includes office improvements and fixtures in Citadel Tower, Dubai - United Arab Emirates.
- Capital work-in-progress represents costs incurred for setting up of quarry on leased land and machinery under installation, pending capitalisation.
- Breakup of depreciation charged:

	Notes	For the year ended March 31,	
		2026	2025
Cost of revenue	26	23,109,314	22,966,898
Selling and distribution expenses	29	903,886	835,498
Administrative expenses	30	415,020	342,939
		<u>24,428,220</u>	<u>24,145,335</u>



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8 Intangible asset	2026	2025
Cost		
Balance at the beginning of year	10,803,470	10,803,546
Effect of foreign exchange translation	-	(76)
Balance at the end of the year	10,803,470	10,803,470
Accumulated amortisation		
Balance at the beginning of the year	2,498,596	2,199,144
Amortisation for the year (note 26)	298,447	299,529
Effect of foreign exchange translation	-	(77)
Balance at the end of the year	2,797,043	2,498,596
Carrying value as at end of year	8,006,427	8,304,874

This represents the cost of securing the lease of the mines and computer software. The lease has an extended period of 50 years from the date it is initially secured. The Group is amortising lease acquisition cost over the extended lease period, starting from the commencement of its commercial operations in 2014. Additional costs incurred for land development are being amortised over an estimated life of 25 years.

9 Right-of-use assets	2026	2025
Cost		
Balance at the beginning of the year	258,458	96,534,502
Addition during the year	-	-
Elimination on completion of lease	-	(569,984)
Lease modification during the year	-	(95,346,147)
Effect of foreign exchange translation	-	(359,913)
Balance at the end of the year	258,458	258,458
Accumulated depreciation		
Balance at the beginning of the year	202,141	44,510,970
Charge for the year	56,317	1,826,646
Elimination on completion of lease	-	(569,984)
Lease modification during the year	-	(45,189,109)
Effect of foreign exchange translation	-	(376,382)
Balance at the end of the year	258,458	202,141
Carrying value as at the end of the year	-	56,317

Right-of-use assets represents:

- Lease rights of land situated at Plot no. 7, Block K, Habhab, Tawain, Fujairah - United Arab Emirates on which factory building and plant and machinery are erected. The Group has considered an effective lease year of 16.5 years ending on December 31, 2032 for the purpose of recognition of right-of-use asset. The said asset is amortised over the effective year of lease on straight-line basis. On May 24, 2024, the Parent Entity signed an addendum
- Lease rights for motor vehicles which are amortised over the effective year of lease.
- Breakup of depreciation charged:

		For the year ended March 31,	
	Notes	2026	2025
Cost of revenue	26	-	1,455,724
Selling and distribution expenses	29	-	80,926
Administrative expenses	30	56,317	289,996
		56,317	1,826,646



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	For the year ended March 31,	
	2026	2025
10 Taxation		
a) Tax on ordinary activities		
The major components of the income tax are as follows:		
Income tax recognised in consolidated statement of profit or loss:		
<u>Current income tax:</u>		
Current income tax	733,570	288,849
<u>Deferred tax:</u>		
Relating to the origination and reversal of temporary differences	-	(68,857)
Tax (credit)/provision for the year	<u>733,570</u>	<u>219,993</u>
There is no income tax recognised in the consolidated statement of profit or loss and other comprehensive income.		
b) Deferred tax asset/liability		
Recognised in consolidated statement of profit or loss and other comprehensive income	13,932	301,411
Balance at the end of the year	<u>13,932</u>	<u>301,411</u>
Breakdown of deferred tax assets:		
Carry forward of losses	13,932	301,411
	<u>13,932</u>	<u>301,411</u>
Breakdown of deferred tax charge:		
Carry forward of losses	13,932	301,411
	<u>13,932</u>	<u>301,411</u>
c) Current tax liability	2026	2025
Balance at the beginning of the year	504,067	792,669
Recognised in consolidated statement of profit or loss	733,570	288,849
Paid during the year	(139,274)	(577,451)
Balance at the end of the year	<u>1,098,363</u>	<u>504,067</u>

Deferred tax assets are recognised and reassessed at each reporting date, based upon management's judgment as to whether realisation is considered as reasonably certain. Deferred tax assets are recognised on tax losses only if there is virtual certainty supported by convincing evidence that such that Deferred tax asset can be realised against the future profits. Considering the election to not take into account the income, and associated expenditure, of its Foreign Branch M/s. Whitemaxx Kenya in determining its taxable income for the period ending March 31, 2026.

It is not currently foreseen that the Group's U.A.E. operations will be subject to the application of the Global Minimum Tax rate of 15% in FY202. The application is dependent on the implementation of Base Erosion Profit Shifting (BEPS 2) – Pillar Two rules by the countries where the Group operates and the implementation of a top-up tax regime by the U.A.E. MOF.

	2026	2025
11 Inventories		
Raw materials	15,689,763	21,000,811
Fuel	7,035,111	11,563,249
Packing materials	4,031,412	3,196,098
Finished goods (note 26)	3,819,144	7,037,680
Semi finished goods and work-in-progress (note 26)	10,225,426	4,402,203
Spare parts and consumables	12,971,465	11,688,874
Less: Allowance for slow moving inventories	(1,292,673)	(896,192)
	<u>52,479,648</u>	<u>57,992,723</u>
Goods-in-transit	-	1,195,089
	<u>52,479,648</u>	<u>59,187,812</u>



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11 Inventories (continued)

Inventories are hypothecated against credit facilities (note 23).

The movement in allowance for slow moving inventories as at reporting date is as follows:

Balance at the beginning of year	896,192	1,141,446
Charge/(reversal) for the year	396,481	(245,254)
Balance at the end of the year	<u>1,292,673</u>	<u>896,192</u>

12 Trade receivables

	2026	2025
Trade receivables	51,602,938	46,479,194
Less: Allowance for expected credit loss	<u>(1,836,618)</u>	<u>(1,643,954)</u>
	<u>49,766,320</u>	<u>44,835,240</u>

Coverage:

Secured against bank guarantee	9,166,912	8,731,100
Secured against letter of credit/bill of lading	3,418,011	10,276,273
Secured against credit insurance and others	11,737,232	17,017,001
Open credits	<u>27,280,783</u>	<u>10,454,820</u>
	<u>51,602,938</u>	<u>46,479,194</u>

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The average credit year for the trade receivables is 60/120 days (2025: 60/120 days). Provisions are based on the estimated irrecoverable amounts determined by reference to past default experience.

The above trade receivables are assigned in favour of the bank on pari passu basis (note 22).

Ageing of trade receivables:

	2026	2025
1 - 90 days	35,223,831	35,343,086
91 - 120 days	5,241,074	4,530,859
121 days and above	<u>11,138,033</u>	<u>6,605,249</u>
	<u>51,602,938</u>	<u>46,479,194</u>

Impairment of trade receivables:

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. In determining the impairment loss on trade receivables, the Group does not consider any changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The management has established a provision matrix that is based on its historic credit loss experience, adjusted for forward-looking information specific to the debtor and the overall economic environment.

Expected credit loss rate	3.56%	3.54%
Estimated total gross carrying amount at default	51,602,938	46,479,194
Lifetime expected credit loss	1,836,618	1,643,954
Net carrying amount	51,602,938	46,479,194

The movements in the allowance for expected credit loss as at reporting date is as follows:

Balance at the beginning of year	1,643,954	1,168,954
Charge for the year (note 30)	192,664	475,000
Balance at the end of the year	<u>1,836,618</u>	<u>1,643,954</u>



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12 Trade receivables (continued)	2026	2025
<i>Geographical analysis:</i>		
The geographical analysis of trade receivables are as follows:		
Within U.A.E.	38,683,463	28,456,945
Outside U.A.E.	12,919,475	18,022,249
	<u>51,602,938</u>	<u>46,479,194</u>

13 Related party balances and transactions

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

a) Balances with related parties

- Due from related parties	2026	2025
<i>Ultimate Parent</i>		
M/s. J.K. Cement Ltd., Kanpur - India	2,157,479	4,671,890
<i>Immediate Parent</i>		
M/s. J.K. Cement (Fujairah) FZC, Fujairah - U.A.E.	-	156,160
	<u>2,157,479</u>	<u>4,828,050</u>

b) Transactions with related parties

The nature of significant related party transactions and the amounts involved were as follows:

	For the year ended March 31,	
	2026	2025
Revenue	9,879,494	17,062,765
Interest on preference shares (note 31)	32,842	194,482
Interest on loans from shareholders (note 31)	197,625	47,904
Directors' remuneration	250,000	250,000
	<u>10,359,966</u>	<u>17,555,151</u>
14 Advances, deposits and other receivables	2026	2025
<i>Financial assets</i>		
Staff loans and advances	1,991,783	776,412
Fixed deposit with banks	-	13,378,460
Deposits*	43,983,754	823,348
	<u>45,975,537</u>	<u>14,978,220</u>
<i>Non-financial assets</i>		
Prepayments	904,630	793,220
Advance for capital assets	1,693,704	442,635
Advance to suppliers	7,280,054	6,619,194
VAT receivable	6,872,390	6,291,725
	<u>16,750,778</u>	<u>14,146,774</u>
	<u>62,726,315</u>	<u>29,124,994</u>



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14 Advances, deposits and other receivables (continued)

*The above fixed deposits with banks amounting is carrying interest rate ranging from 2.86% - 4.3% with maturity within 1 year from March 31, 2026.

15 Cash and bank balances	<u>2026</u>	<u>2025</u>
Cash on hand	23,659	17,187
Cash at banks	<u>2,496,738</u>	<u>1,546,035</u>
	<u><u>2,520,397</u></u>	<u><u>1,563,222</u></u>

Management has concluded that the Expected Credit Loss (ECL) for all bank balances is immaterial as these balances are held with banks/financial institutions whose credit risk rating by international rating agencies has been assessed as low.

16 Share capital

Authorised ordinary share capital of the Parent Entity is AED 185,000,000 (2025: AED 185,000,000) divided into 185,000 (2025: 185,000) equity shares of AED 1,000 (2025: AED 1,000) each.

Issued and paid-up capital of the Parent Entity is AED 135,196,000 (2025: AED 61,146,000) divided into 135,196 (2025: 61,146) shares of AED 1,000 (2025: AED 1,000) each fully paid.

<u>Names of the shareholders</u>	<u>Domicile</u>	<u>Percentage</u>	<u>No. of shares</u>	<u>2026</u>
M/s. J.K. Cement (Fujairah) FZC	U.A.E.	90	121,677	121,676,400
Fujairah Investment Establishment (Government of Fujairah)	U.A.E.	10	13,519	13,519,600
		<u>100</u>	<u>135,196</u>	<u>135,196,000</u>
<u>Names of the shareholders</u>	<u>Domicile</u>	<u>Percentage</u>	<u>No. of shares</u>	<u>2025</u>
M/s. J.K. Cement (Fujairah) FZC	U.A.E.	90	55,032	55,032,000
Fujairah Investment Establishment (Government of Fujairah)	U.A.E.	10	6,114	6,114,000
		<u>100</u>	<u>61,146</u>	<u>61,146,000</u>

The Parent Entity has issued 73,450 compulsory convertible preference shares of AED 1,000 each as on March 31, 2026. On October 15, 2024, it has been decided that the 11 years 3% Cumulative Convertible Preference Shares (CCPS) of AED 1,000 each, which had been issued on December 23, 2013 and matured on December 21, 2024, as per the agreement shall be converted into equal number of equity shares. Subsequently, out of the total 18,362 11 year 3% CCPS, 16,526 CCPS were owned by M/s. J.K. Cement (Fujairah) FZC and 1,836 CCPS were owned by Fujairah Investment Establishment has been converted to equity shares as on March 24, 2025. Also in lieu of the dividend accrued and due on those CCPS at the rate of 3% p.a payable to M/s. J.K. Cement (Fujairah) FZC which works out to be AED 5,454,500 and to Fujairah Investment Establishment which works out to be AED 606,000, equal proportion of equity shares is also be issued to M/s. J.K. Cement (Fujairah) FZC and Fujairah Investment Establishment which has also subsequently as at March 24, 2025 has been converted to equity shares as at reporting date. Also, vide letter dated June 10, 2025, the remaining 55,088 CCPS have also been converted into same number of Equity shares of AED 1,000 each and in lieu of the accumulated dividend outstanding, the Company has issued 18,962 Equity shares of AED 1,000 each.



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Notes to the Special Purpose Consolidated Financial Statements for the year ended March 31, 2026
(In Arab Emirates Dirham)**17 Compulsory convertible preference shares**

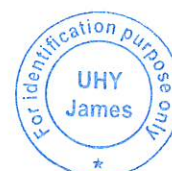
Authorised compulsory convertible preference share capital of Entity is AED 85,000,000 (2025: AED 85,000,000) divided into 85,000 (2025: 85,000) shares of AED 1,000 (2025: AED 1,000) each.

The Parent Entity issued two classes of preference shares; compulsory convertible preference shares (CCPS) and redeemable preference shares (note 19). The compulsory convertible preference shares shall be mandatorily converted to ordinary equity shares with definitive timeframe and are issued in the same proportion as ordinary share capital. CCPS also carry non-discretionary cumulative coupon rate of 3% which is payable in cash with an option to convert in equivalent ordinary shares at the time of conversion. Therefore, CCPS are treated as compound instruments with both equity and liability component and have been classified in the separate financial statements accordingly. At the time of conversion, the Parent Entity will issue 73,450 ordinary shares of AED 1,000 each against the equity component of compulsory convertible preference shares. As at the reporting date, all 73,450 compulsory convertible preference shares have been converted into same number of Equity shares of AED 1,000 each and in lieu of the accumulated dividend outstanding, the Company has issued 18,962 Equity shares of AED 1,000 each.

	<u>2026</u>	<u>2025</u>
a) Equity component of compulsory convertible preference shares		
Balance at the beginning and end of the year	34,077,934	52,426,891
Conversion of dividend payable on equity component of compulsory convertible preference shares to equity	<u>(34,077,934)</u>	<u>(18,348,957)</u>
Balance at the end of the year	<u>-</u>	<u>34,077,934</u>
b) Liability component of compulsory convertible preference shares		
Balance at the beginning of the year	2,592,257	4,601,275
Amortisation during the year	<u>(2,592,257)</u>	<u>(2,009,018)</u>
Balance at the end of the year	<u>-</u>	<u>2,592,257</u>
18 Accumulated (losses)	<u>2026</u>	<u>2025</u>
Balance at the beginning of the year	<u>(276,251,632)</u>	<u>(335,055,825)</u>
Profit for the year	4,404,877	48,402,935
Transfer of finance cost to capital contribution	10,933,406	10,401,258
(Loss) on conversion of preference shares	<u>(18,668,330)</u>	<u>-</u>
Prior year adjustment	<u>(305,358)</u>	<u>-</u>
Balance at the end of the year	<u>(279,887,037)</u>	<u>(276,251,632)</u>
19 Redeemable preference shares and application money	<u>2026</u>	<u>2025</u>
Balance at the beginning of the year	213,702,132	203,300,873
Amortisation during the year	<u>10,933,406</u>	<u>10,401,259</u>
Redeemable preference shares	<u>224,635,538</u>	<u>213,702,132</u>

The Group have issued a quantity of 487,855 redeemable preference shares (RPS) of amount AED 1000/- each and in total amounting to AED 487,855,000/- to its Parent Entity in year 2023. In the previous year, the Group's Parent Entity has waived their right off of RPS of amount 226,637,000/- i.e. 226,637 RPSs. For the purpose of waiving off the right, a letter of intent has been submitted to the Director General in Fujairah and subsequently, the residual portion of the uncanceled RPS has been transferred to equity component.

a) Equity component of redeemable preference shares	<u>2026</u>	<u>2025</u>
Transferred from redeemable preference shares	47,515,869	57,917,127
Amortisation during the period/year	<u>(10,933,406)</u>	<u>(10,401,258)</u>
	<u>36,582,463</u>	<u>47,515,869</u>
b) Capital contribution	<u>2026</u>	<u>2025</u>
Balance at the end of the year	<u>243,951,225</u>	<u>243,951,225</u>



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	2026	2025
20 Employees' end of service benefits		
Balance at the beginning of the year	5,216,386	4,285,695
Add: Charge for the year	1,114,488	1,182,570
Less: Paid during the year	(310,340)	(251,879)
Balance at the end of the year	<u>6,020,534</u>	<u>5,216,386</u>

Amounts required to cover end of service indemnity at the end of the reporting period are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting period.

	2026	2025
21 Dividend payable on preference shares		
Dividend payable on redeemable preference shares	-	18,691,681
	<u>-</u>	<u>18,691,681</u>

During 2024, the dividend payable represents non-discretionary dividend payable on compulsory convertible and redeemable preference shares. The management has decided to pay the said dividend upon generation of profits which is not anticipated in next 12 months and therefore, the dividend payable has been classified as a non-current liability.

	2026	2025
22 Bank borrowings		
a) Due to banks		
Short term loan	1,836,250	5,692,655
Bank overdraft	1,023,841	5,643
	<u>2,860,091</u>	<u>5,698,298</u>

Bank borrowings - short term liabilities

Due to banks (refer a)	2,860,091	5,698,298
	<u>2,860,091</u>	<u>5,698,298</u>

Total bank borrowings	<u>2,860,091</u>	<u>5,698,298</u>
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The Group has obtained borrowings based for working capital requirements and the interest charged is at SOFR+175 bps p.a. The terms and conditions are agreed with the bank and are also secured by the following:

Bank borrowings are secured by:

- i) Hypothecation of inventories (note 11).
- ii) Assignment of trade receivables (note 12).

	2026	2025
23 Lease liabilities		
Balance at the beginning of year	33,497,934	112,778,589
Add: Interest charged during the year (note 31)	2,444,796	1,873,647
Lease modification during the year	-	(72,969,449)
Less: Payments during the year	(6,104,207)	(8,212,867)
Less: Effect of foreign exchange translation	-	28,014
Balance at the end of the year	<u>29,838,523</u>	<u>33,497,934</u>



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Notes to the Special Purpose Consolidated Financial Statements for the year ended March 31, 2026
(In Arab Emirates Dirham)**23 Lease liabilities (continued)**

The above represents present value of lease payments of land and motor vehicles discounted at the rates ranging from 4.5% to 7.9% (2025: 4.5% to 7.9%) p.a.

Comprising:

	2026	2025
Current portion	3,921,695	3,654,110
Non-current portion	25,916,828	29,843,824
	<u>29,838,523</u>	<u>33,497,934</u>

For the year ended March 31,**Amounts recognised in consolidated statement of profit or loss and other comprehensive income:**

	2026	2025
Interest on lease liabilities (note 31)	2,444,796	1,873,647
Depreciation expense (note 9)	56,317	1,826,646

Payments not included in the measurement of the lease liabilities:

Expenses related to short term leases	624,807	378,445
Net impact for the year	<u>3,125,920</u>	<u>4,078,738</u>

Amounts recognised in consolidated statement of cash flows:

Total cash outflows for leases	<u>(6,729,014)</u>	<u>(8,591,312)</u>
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The Parent Entity entered into an addendum agreement with Fujairah Municipality, which addresses outstanding dues and revises the lease rent payable. This addendum supersedes all previous agreements and addenda related to the lease. The revised terms under the addendum will govern the lease arrangement going forward, replacing any provisions from prior agreements. Based on this addendum, a modification adjustment has been recorded in the Right-of-Use Assets and Lease Liabilities, and a gain on modification is recorded.

24 Trade and other payables*Financial liabilities*

	2026	2025
Trade payables	40,002,363	43,405,440
	<u>40,002,363</u>	<u>43,405,440</u>

Non financial liabilities

Advances from customers	2,992,433	2,404,230
Accrued expenses and provisions	16,043,042	14,880,194
Other payables	1,919,098	108,903
Current tax payable	196,709	-
	<u>21,151,282</u>	<u>17,393,327</u>
	<u>61,153,645</u>	<u>60,798,767</u>

For the year ended March 31,**25 Revenue**

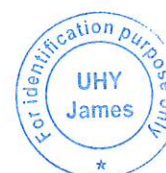
	2026	2025
Revenue from contracts with customers	297,647,484	280,886,577

25.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers.

Segment**Type of revenue**

Cement	157,302,795	173,142,722
Clinker	71,720,880	68,824,025
Value added products	68,623,809	38,919,830
Total revenue from contracts with customers	<u>297,647,484</u>	<u>280,886,577</u>



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	For the year ended March 31,	
	2026	2025
30 Administrative expenses		
Salaries and related benefits	8,874,933	6,999,079
Rent	624,807	378,445
Travelling and conveyance	730,390	764,102
Legal and professional expenses	1,850,954	2,038,657
Insurance	1,145,802	905,047
Repairs and maintenance	494,500	342,057
Communication	431,265	407,931
Allowance for slow moving inventories (note 11)	307,655	-
Allowance for expected credit loss (note 12)	192,664	475,000
Depreciation on property, plant and equipment (note 7)	415,013	342,939
Depreciation on right-of-use assets (note 9)	56,317	289,996
Foreign exchange loss	-	1,127,936
Miscellaneous	3,544,978	1,275,110
	<u>18,669,278</u>	<u>15,346,299</u>

	For the year ended March 31,	
	2026	2025
31 Finance costs		
Interest on preference shares (note 13(b))	32,842	194,482
Interest on redeemable preference shares	10,933,406	10,401,259
Interest on lease liabilities (note 23)	2,444,796	1,873,647
Bank interest and charges	935,721	1,277,276
Interest on overdraft	-	5,818
Interest on loans from shareholders (note 13(b))	197,625	47,904
	<u>14,544,390</u>	<u>13,800,386</u>

32 Financial instruments*a) Material accounting policies*

Details of the material 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 6 to the special purpose consolidated financial statements.

b) Financial assets and financial liabilities

Below are the principal financial instruments used by the Group and their categories, from which financial instrument risk arises:

	Amortized Costs	
	2026	2025
<i>Financial assets</i>		
Trade receivables	49,766,320	44,835,240
Due from related parties	2,157,479	4,828,050
Deposits and other receivables	45,975,537	14,978,220
Cash and bank balances	2,520,397	1,563,222
	<u>100,419,733</u>	<u>66,204,732</u>



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32 Financial instruments (continued)

b) Financial assets and financial liabilities (continued)

<i>Financial liabilities</i>	Amortized Costs	
	2026	2025
Liability component of compulsory convertible preference shares	-	2,592,257
Redeemable preference shares and application money	224,635,538	213,702,132
Dividend payable on preference shares	-	18,691,681
Bank borrowings	2,860,091	5,698,298
Lease liabilities	29,838,523	33,497,934
Trade and other payables	40,002,363	43,405,440
	297,336,515	317,587,742

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

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 instruments not measured at fair value includes cash and bank balances, due from related parties, trade receivables, deposits and other receivables, trade and other payables, liability component of compulsory convertible preference shares, bank borrowings, lease liabilities, dividend payable on preference shares and redeemable preference shares.

As at the reporting date, financial assets and financial liabilities approximate their carrying values, due to their short term nature.

d) Valuation premise for financial instruments that are not measured at fair value on recurring basis

The following methods and assumptions were used to estimate the fair values:

Receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at reporting date, the carrying amounts of such receivables, were not materially different from their calculated fair values.

The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

33 Financial risk management objectives

The Group management set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Group. The Group 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 Group's policy guidelines are complied with.

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



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33 Financial risk management objectives (continued)

The Group is exposed to the following risks related to financial instruments. The Group has not framed formal risk management policies, however, the risks are monitored by management on a continuous basis. The Group 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

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

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

b) Interest rate risk management

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. Interest on financial instruments having floating rates is re-priced at intervals of less than one year and interest on financial instruments having fixed rate is fixed until the maturity of the instrument.

If interest rates had been 50 basis points higher/(lower) and all other variables were held constant, the Group's profit for the year then ended would (decrease)/increase by AED 14,300 (2025: (decrease)/increase by AED 28,491).

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used for reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

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 Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk table:

The table on the following page summarises the maturity profile of the Group'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 consolidated statement of financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the consolidated statement of financial position date based on contractual repayment arrangements were shown on the following page:



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33 Financial risk management objectives (continued)

c) *Liquidity risk management (continued)*

Liquidity and interest risk table (continued)

Particulars	Effective interest rate	Interest bearing			Non Interest bearing			Total
		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	
As at March 31, 2026								
Financial assets								
Trade receivables		-	-	-	-	49,766,320	-	49,766,320
Due from related parties		-	-	-	-	2,157,479	-	2,157,479
Deposits and other receivables	2.8 - 4.3%	-	45,975,537	-	-	-	-	45,975,537
Cash and bank balances		-	-	-	2,520,397	-	-	2,520,397
		-	45,975,537	-	2,520,397	51,923,799	-	100,419,733
Financial liabilities								
Redeemable preference shares and application money		-	-	224,635,538	-	-	-	224,635,538
Dividend payable on preference shares		-	-	-	-	-	-	-
Bank borrowings	SOFR + 175 bps	-	2,860,091	-	-	-	-	2,860,091
Lease liabilities	4.5% - 7.9%	-	3,921,695	25,916,828	-	-	-	29,838,523
Trade and other payables		-	-	-	-	40,002,363	-	40,002,363
		-	6,781,786	250,552,366	-	40,002,363	-	297,336,515
As at March 31, 2025								
Financial assets								
Trade receivables		-	-	-	-	44,835,240	-	44,835,240
Due from related parties		-	-	-	-	4,828,050	-	4,828,050
Deposits and other receivables	3 - 5%	-	-	-	-	14,978,220	-	14,978,220
Cash and bank balances		-	-	-	1,563,222	-	-	1,563,222
		-	-	-	1,563,222	64,641,510	-	66,204,732



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33 Financial risk management objectives (continued)

c) Liquidity risk management (continued)

Liquidity and interest risk table (continued)

Particulars	Interest bearing				Non Interest bearing			Total
	Effective interest rate	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	
As at March 31, 2025								
Financial liabilities								
Liability component of compulsory convertible preference shares		-	-	2,592,257	-	-	-	2,592,257
Redeemable preference shares and application money		-	-	213,702,132	-	-	-	213,702,132
Dividend payable on preference shares		-	-	18,691,681	-	-	-	18,691,681
Bank borrowings	5%	-	5,698,298	-	-	-	-	5,698,298
Lease liabilities	8%	-	3,654,110	29,843,824	-	-	-	33,497,934
Trade and other payables		-	-	-	-	43,405,440	-	43,405,440
		-	9,352,408	264,829,894	-	43,405,440	-	317,587,742

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 Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure are continuously monitored and their credit exposure is reviewed by the management regularly and the Group applies simplified approach under IFRS 9 to measure lifetime expected credit loss allowance on all of its trade receivables.

Trade receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables. Further details of credit risks on trade and other receivables are disclosed in notes 12 & 14 to the special purpose consolidated financial statements.

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 consolidated financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risks.

34 Capital risk management

The Group 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 Group's overall strategy remains unchanged from prior year. The Group is not subject to any externally imposed capital requirements.



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34 Capital risk management (continued)

The capital structure of the Group consists of capital contribution and equity comprising issued share capital, equity component of compulsory convertible preference shares, equity component of redeemable preference shares, foreign exchange translation reserve and accumulated (losses) as disclosed in the special purpose consolidated financial statements.

	As at March 31,	
	2026	2025
35 Contingent liabilities		
Letters of guarantees	<u>7,893,220</u>	<u>6,407,683</u>

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

	As at March 31,	
	2026	2025
36 Commitments		
Commitment towards acquisition of property, plant and equipment	<u>5,562,424</u>	<u>466,471</u>

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

37 Subsequent events

Subsequent to the reporting date, geopolitical tensions have arisen in certain regions of the Middle East, which may have potential implications for the Group's future business operations and financial position. These developments have been evaluated in accordance with IAS 10 – Events after the Reporting Period and have been determined to be non adjusting event. Accordingly, no adjustments have been made to the special purpose consolidated financial statements as at the reporting date.

Given the evolving and uncertain nature of these events, management is currently unable to reliably assess the extent of the potential financial impact, if any, on the Group's operations and financial performance. Management will continue to monitor developments closely and assess their potential implications as circumstances evolve.

38 Comparative figures

There was no reclassification or regroupings made on the Group's previously reported consolidated financial result or equity.

