



JSW Terminal (Middle East) FZE

**Fujairah Free Zone
Fujairah, UAE**

**Financial Statements
Year ended 31 March 2024**



JSW Terminal (Middle East) FZE

Financial Statements

Year ended 31 March 2024

Contents	Page
INDEPENDENT AUDITOR'S REPORT	1 – 3
KEY INFORMATION	4
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF CHANGES IN EQUITY	7
STATEMENT OF CASH FLOWS	8
NOTES 1 to 5 TO THE FINANCIAL STATEMENTS – INFORMATIVE	9 – 23
NOTES 6 to 24 TO THE FINANCIAL STATEMENTS – ANALYTICAL	24 – 31



Independent Auditor's Report
To the Shareholder of JSW Terminal (Middle East) FZE on the financial statements
for the year ended 31 March 2024

We have audited the accompanying financial statements of JSW Terminal (Middle East) FZE (the Establishment), Fujairah Free Zone, Fujairah, UAE, which comprises the statement of financial position as at 31 March 2024, and the statements of profit or loss and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information contained in notes set out on pages 9 to 23.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of JSW Terminal (Middle East) FZE for the year ended 31 March 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of these financial statements' section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) and have fulfilled our other ethical responsibilities. We have planned and performed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of management and those charged with governance

The Establishment's management is responsible for maintaining books of account as prescribed under the International Accounting Standards (IAS) and for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), applicable provisions of the Articles of Incorporation (Aol) of the Establishment & Implementing Regulations No 1 of 2004 pursuant to Emiri Decree 6 of 1987 of HH the Ruler of Fujairah of Fujairah Free Zone Authority (FFZA-IR) read with the provisions of the UAE Federal Law No 2 of 2015 on Commercial Companies, as amended (CCL).

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.



Responsibilities of management and those charged with governance (Continued)

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

Management and those charged with governance are responsible for overseeing the Establishment's financial reporting process.

Auditor's responsibilities for the audit of these financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- a) Identify and assess the risks of material misstatement of the standalone 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.
- b) 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 our opinion on whether the Establishment has adequate internal financial controls with reference to these financial statements in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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 Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Report on other legal and regulatory requirements

As required by the Aol of the Establishment, other relevant local laws and the Implementing Regulations of FFZA read with the CCL of UAE, we further report that:

- a) We have obtained all the information and explanations that we considered necessary for the purpose of our audit;
- b) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the FFZA–IR read with the CCL and the Aol, however, the Management has incurred a penalty for voluntary disclosure of VAT return;
- c) Proper books of account commensurate to the nature of its business and scale of its operations have been kept by the Establishment;
- d) The financial information contained in the Manager's Report, in so far as it relates to these financial statements, is consistent with the books of account of the Establishment;
- e) The Establishment has not purchased any shares during the year ended 31 March 2024;
- f) The Establishment is not a 'licensed financial institution' and the requirements of Article 114 of the Decretal Federal Law No 14 of 2018 do not specifically apply to it;
- g) The Establishment has filed VAT Returns as required by FTA and the information contained in these returns corresponds to the information contained in the books of account;
- h) The Management has declared the UBO (ultimate beneficial owners) of the Establishment to the licensing authority as required;
- i) The provisions of ESR (economic substance regulation) are not applicable to the Establishment and the Management is not required to file the notification for the same;
- j) The Establishment is not required to file AML (anti-money laundering) reports with the MoE (ministry of economy) and does not carry out a relevant activity that requires such a filing;
- k) We did not come across any transactions that indicate that the Establishment may have violated money laundering norms or may have carried out business with a sanctioned entity or country;
- l) We were unable to confirm if the Management has held regular meetings of the Board of Directors of the Establishment as required, whether with electronic means or with physical meetings;
- m) Nothing has come to our notice that causes us to believe that the Establishment has earned its revenue from carrying out activities that are materially different from its licensed activity;
- n) Note 22 to the financial statements discloses material related party transactions to the extent we had the information to be aware of them and
- o) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Establishment has, during the financial year under audit, contravened any of the applicable provisions of the FFZA–IR read with the CCL and the Aol, which would have had a material effect on the business of the Establishment or on its financial position as at 31 March 2024.

Dhawal G Nandedkar

License No 731

Fujairah, United Arab Emirates

24 April 2024

Key Information
Year ended 31 March 2024

Shareholder

M/s JSW Infrastructure Ltd, India

Directors

Lalit Singhvi

Madhu Gopal Ravikanthi

Krunal Aundhiya

Principal place of business

PO Box 50526, Fujairah Free Zone Phase II, Fujairah, UAE

Key businesses

Operation, maintenance and bulk handling at Port of Fujairah, investment activities and general trading

Established since

05 December 2016

Banker

National Bank of Fujairah

Statement of Profit or Loss and Other Comprehensive Income
Year ended 31 March 2024

	Note	2024 AED	2023 AED
Revenue	6	8,150,779	9,286,260
Cost of revenue	7	(6,076,561)	(4,405,679)
Gross profit		2,074,218	4,880,581
Other income	8	3,115,347	169,126
Administrative expenses	9	(2,020,131)	(1,220,833)
Finance costs	10	(11,148,067)	-
Other expense	12	(87,137)	-
(Loss)/profit for the year		<u>(8,065,770)</u>	<u>3,828,874</u>

The accompanying notes on pages 9 to 31 form an integral part of these financial statements.
The Independent Auditor's Report is set forth on pages 1 to 3.

Approved by the Directors on behalf of the Shareholder and authorised for issue on 24 April 2024.

For JSW Terminal (Middle East) FZE

Lalit Singhvi
Director



Madhu Gopal Ravikanthi
Director



Krunal Aundhiya
Director

Statement of Financial Position
As at 31 March 2024

	Note	2024 AED	2023 AED
Non-current assets			
Investment in subsidiary	13	552,936,427	-
Property and equipment	14	2,663,641	147,266
Non-current financial assets	15	117,698,931	63,000
		<u>673,298,999</u>	<u>210,266</u>
Current assets			
Trade and other receivables	16	1,464,178	930,446
Cash and cash equivalents	17	8,057,224	14,515,715
		<u>9,521,402</u>	<u>15,446,161</u>
Total assets		<u>682,820,401</u>	<u>15,656,427</u>
Shareholder's funds			
Share capital	18	211,956,100	150,000
Statutory reserve	Pg 7	75,000	75,000
Retained earnings	Pg 7	4,911,445	12,977,215
Equity funds		<u>216,942,545</u>	<u>13,202,215</u>
		<u>216,942,545</u>	<u>13,202,215</u>
Non-current liabilities			
Borrowings	19	426,446,123	-
Provision for staff end-of-service gratuity	20	103,056	46,775
		<u>426,549,179</u>	<u>46,775</u>
Current liabilities			
Borrowings	19	36,616,443	-
Trade and other payables	21	2,712,234	2,407,437
		<u>39,328,677</u>	<u>2,407,437</u>
Total liabilities		<u>465,877,856</u>	<u>2,454,212</u>
Total Shareholder's funds & liabilities		<u>682,820,401</u>	<u>15,656,427</u>

The accompanying notes on pages 9 to 31 form an integral part of these financial statements.

The Independent Auditor's Report is set forth on pages 1 to 3.

Approved by the Directors on behalf of the Shareholder and authorised for issue on 24 April 2024.

For JSW Terminal (Middle East) FZE

Lalit Singhvi
Director

Madhu Gopal Ravikanthi
Director

Krunal Aundhiya
Director

Statement of Changes in Equity
Year ended 31 March 2024

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Year ended 31 March 2023:				
As at 1 April 2022	150,000	75,000	9,148,341	9,373,341
Profit for the year	-	-	3,828,874	3,828,874
As at 31 March 2023	<u>150,000</u>	<u>75,000</u>	<u>12,977,215</u>	<u>13,202,215</u>
Year ended 31 March 2024:				
As at 1 April 2023	150,000	75,000	12,977,215	13,202,215
Loss for the year	-	-	(8,065,770)	(8,065,770)
Introduced during the year	<u>211,806,100</u>	<u>-</u>	<u>-</u>	<u>211,806,100</u>
As at 31 March 2024	<u>211,956,100</u>	<u>75,000</u>	<u>4,911,445</u>	<u>216,942,545</u>

The accompanying notes on pages 9 to 31 form an integral part of these financial statements.
The Independent Auditor's Report is set forth on pages 1 to 3.

Statement of Cash Flows
Year ended 31 March 2024

	Note	2024 AED	2023 AED
Cash flows from operating activities			
(Loss)/profit for the year	Pg 5	(8,065,770)	3,828,874
Adjustments for:			
Gain on disposal of property and equipment	8	-	(51,010)
Interest income	8	-	(118,116)
Interest expense	10	10,656,425	-
Depreciation on property and equipment	14	202,057	28,659
Increase of provision for staff end-of-service gratuity	20	56,281	23,060
Operating profit before changes in operating assets and liabilities		2,848,993	3,711,467
Increase in trade and other receivables	16	(533,732)	(679,508)
Increase/(decrease) in trade and other payables	21	304,797	(856,003)
Interest paid (net)		(9,169,067)	-
Net cash (used in)/generated from operating activities (A)		(6,549,009)	2,175,956
Cash flow from an investing activities			
Interest earned	8	-	118,116
Investment in a subsidiary	13	(552,936,427)	-
Purchase of property and equipment	14	(2,718,432)	(159,680)
Proceeds from sale of property and equipment	14	-	51,010
Loan given to a related party	15	(117,620,931)	-
Deposits placed	15	(15,000)	-
Net cash (used in)/generated from investing activities (B)		(673,290,790)	9,446
Cash flows from financing activities			
Increase in share capital	18	211,806,100	-
Funds withdrawn by the Shareholder (net)		-	1,581
Availed bank loan	19	433,354,867	-
Availed loan from a related party	19	34,338,769	-
Pre-paid processing fee paid	19	(6,119,858)	-
Net cash generated from financing activities (C)		673,379,878	1,581
Net (decrease)/increase in cash and cash equivalents (A+B+C)		(6,459,921)	2,186,983
Cash and cash equivalents at beginning of the year		14,517,145	12,330,162
Cash and cash equivalents at end of the year	17	8,057,224	14,517,145

The accompanying notes on pages 9 to 31 form an integral part of these financial statements.
The Independent Auditor's Report is set forth on pages 1 to 3.

Notes to the Financial Statements
Period ended 31 March 2024

1 Legal status and business activities

a) Constitution

- Name JSW Terminal (Middle East) FZE (the Establishment)
- Constitution Free Zone Establishment (FZE)
(Wholly Owned Subsidiary of a Foreign Company)
- Registration Service License No 3895 dated 05 December 2016
- Registered under Implementing Regulations No 1 of 2004 pursuant to Emiri Decree 6 of 1987 of HH the Ruler of Fujairah of the Fujairah Free Zone Authority
- Registration authority Fujairah Free Zone, Fujairah, UAE

b) Business activities

- Registered address PO Box 50526, Fujairah Free Zone Phase II, Fujairah, UAE
- Licensed activity Operation, maintenance and bulk handling at Port of Fujairah, investment activities and general trading
- Regulations applicable The rules and regulations of the Fujairah Free Zone
- Management The Establishment is managed by Mr Lalit Singhvi

c) Corporate Shareholder

- Name JSW Infrastructure Limited
- Constitution Limited by shares
- Registration Registration No 161268, incorporated on 21 April 2006
- Registered under Ministry of Corporate Affairs, India
- Registered address JSW Centre, Bandra Kurla Complex, Mumbai, Maharashtra, India – 400 051
- Ultimate beneficial owners The ultimate beneficial owners (UBOs) are not separately indicated in the financial statements

2 Basis of preparation

a) Statement of compliance

- Prepared under These financial statements have been prepared under and comply with:
 - The 'historical cost convention' in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRSIC) as issued or adopted by the International Accounting Standards Board (IASB),
 - The IAS (International Accounting Standards) and
 - The requirements of Implementing Regulations No 1 of 2004 pursuant to Emiri Decree 6 of 1987 of HH the Ruler of Fujairah of the Fujairah Free
- Exception to 'historical cost convention' Those financial and non-financial assets that are measured at fair values at the reporting date, as explained at Note 2 (g)
- Exception to compliance with IAS An incidental departure from the IAS, if any, is unintentional and does not materially affect the financial position of the Establishment or the performance for the reporting period

b) Specific compliance

Management confirms that the Establishment has complied with all local regulations and has not wilfully contravened any regulations applicable to it including, but not limited to, the following:

Notes to the Financial Statements
Period ended 31 March 2024

2 Basis of preparation (Continued)

b) Specific compliance (Continued)

- CCL - The Establishment has complied with the requirements of the UAE Federal Law No 2 of 2015 on Commercial Companies, as amended
- FFZA-IR - The Establishment has adhered to the Implementing Regulations No 1 of 2004 pursuant to Emiri Decree 6 of 1987 of HH the Ruler of Fujairah
- Licensed activity - The Establishment has not carried out any activity that it is not licensed to carry out
- ESR - The Establishment has not carried any Relevant Activities, as such, is not required to file Economic Substance Regulation Report
- UBO - The Establishment has declared the Ultimate Beneficial Owner as required by the Federal Tax Authority
- AML/CFT - The Establishment has not violated any regulations of the regulations on Anti-Money Laundering and Counter-terrorism Financing
- VAT - The Establishment has filed VAT returns on time and declared the appropriate information and has not defaulted on its financial obligations

c) Presentation currency

- UAE Dirham (AED) rounded off to the nearest unit as this is the functional and domicile currency of the Establishment
- Transactions carried out in US Dollars are recorded at a fixed exchange rate of AED 3.67 per USD

d) Accrual basis of accounting

- The financial statements, except for the statement of cash flows, are prepared using the accrual basis of accounting
- As a result, all items of assets, liabilities, equity, income and expenses are recognised as they arise
- Considering their immateriality, some of the administrative expenses are treated as period costs and written off when incurred without carrying them over to the next reporting period

e) Going concern basis of accounting

- The Establishment will be able to meet its payment obligations as and when they fall due for payment;
- The financial support of the Shareholder would be available on a continuing basis;
- The operations are profitable and the Establishment has a sound financial position.
- Accordingly, these financial statements have been prepared on a going concern basis.

f) Use of significant judgements, estimates and assumptions

- Underlying concept Judgements, estimates and assumptions are made by the Management.
- Basis
 - The historical experience and
 - Reasonable expectations of future events.
- Affecting
 - The application of accounting policies;
 - The reported amounts of assets and liabilities, income and expenses and
 - Disclosure of contingencies and commitments.

Notes to the Financial Statements
Period ended 31 March 2024

2 Basis of preparation (Continued)

f) Use of significant judgements, estimates and assumptions (Continued)

- Application relates to
 - Lives of items of property and equipment, their residual values and impairment in their values;
 - Investment properties, investments and provision for impairment in their values;
 - Provision for doubtful trade and contracts receivables, advances and write-down of inventories;
 - Provisions for warranties, staff end-of-service gratuity, provision for contingencies or certain uncertainties and
 - Future contract costs expected to be incurred to complete the projects.

g) Impairment of assets

i) Financial assets

- Composition
 - Non-current financial assets
 - Cash and cash equivalents
 - Trade receivables
- Stated at Cost less impairment, if any
- Assessment of impairment Assessed to identify any evidence of impairment on the basis of:
 - Default or delinquency by a debtor,
 - The perceived creditworthiness of the debtor,
 - The age of the debts and its servicing, if any, and
 - Management's experience in dealing with him and other similar debts.

ii) Non-financial assets

- Composition Property and equipment
- Stated at Cost less impairment, if any
- Assessment Reviewed to determine any indication of impairment
- In the event of impairment
 - The asset is reported at the assets' recoverable amount as estimated and
 - Impairment loss (excess of carrying amount over recoverable amount) recognised in statement of profit or loss and other comprehensive income.

h) New and amended standards

- Composition
 - Standards and amendments that are effective for the first time from the current year, i.e., 01 April 2023
 - Standards and interpretations that have become effective but are not yet mandatory
- Justification for applying / selectively adopting standards that are not mandatory
 - They presently have no material impact on the Establishment's financial statements and
 - The Establishment intends to adopt these new standards, if applicable, when they become effective.

i) Amendments effective for current year – Applicable to the Establishment

- IFRS 9 Financial Instruments Clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases Amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

Notes to the Financial Statements
Period ended 31 March 2024

2 Basis of preparation (Continued)

h) New and amended standards (Continued)

i) Amendments effective for current year – Applicable to the Establishment (Continued)

- | | |
|---|--|
| <ul style="list-style-type: none"> - IFRS 1 First-time Adoption of International Financial Reporting Standards | <ul style="list-style-type: none"> - Allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. |
|---|--|

ii) Amendments effective for current year – Not applicable to the Establishment

- | | |
|---|---|
| <ul style="list-style-type: none"> - IFRS 17 | <ul style="list-style-type: none"> - Insurance Contracts |
|---|---|

iii) Forthcoming requirements that are not yet effective and have not been early adopted by the Establishment

- | | |
|---|---|
| <ul style="list-style-type: none"> - IAS 1 - IAS 12 | <ul style="list-style-type: none"> - Presentation of financial statements on classification basis - Deferred tax related to asset and liabilities arising from a single transaction |
|---|---|

i) Changes in accounting policy

There have been no intentional changes in accounting policies that would materially affect the financial position of the Establishment or its performance for the reporting period, except leases at Note 3 (f).

3 Summary of significant accounting policies adopted and consistently applied

a) Revenue recognition

(Note 6)

- | | |
|--|---|
| <ul style="list-style-type: none"> - Composition | <p>The Establishment derives its revenue from rendering:</p> <ul style="list-style-type: none"> - Cargo handling and maintenance services |
| <ul style="list-style-type: none"> - Stated at | <p>Invoiced value of services rendered net of discounts, recognised when performance obligation and other relevant conditions are satisfied, as explained below</p> |
| <ul style="list-style-type: none"> - Recognised when | <p>Revenue is recognised at a point in time at which the performance obligation is satisfied or one of the following conditions are satisfied:</p> <ul style="list-style-type: none"> - The client simultaneously receives and consumes the benefits provided by the Establishment's performance as the Establishment performs - The Establishment's performance creates or enhances an asset that the client controls as such asset is created or enhanced - The Establishment's performance does not create an asset with an alternative use to the Establishment and it has an enforceable right to payment for performance completed to date |
| <ul style="list-style-type: none"> - Other conditions | <ul style="list-style-type: none"> - Services may be rendered by the suppliers directly to the clients; - Such services rendered by the Establishment are not considered at gross value. Only the difference between the revenue and cost is actually realised by the Establishment as commission, although the invoicing is done by the Establishment for the full amount. - In respect of contracts where advance is received, revenue is accounted on period basis and the portion relating to future periods is treated as 'Deferred income', which is classified under 'Trade and other payables'. - If contract outcome cannot be measured reliably, revenue is recognised to the extent that the expenses incurred are eligible to be recovered. |
| <ul style="list-style-type: none"> - Currency risk | <p>Invoices are raised on clients in UAE Dirhams. As a result, the Establishment is not exposed to any fluctuation of currency risk.</p> |

Notes to the Financial Statements
Period ended 31 March 2024

- 3 Summary of significant accounting policies adopted and consistently applied (Continued)**
- b) Cost of revenue (Note 7)**
- Composition
 - Cargo handling expenses
 - Sub-contracting expenses
 - Repairs and maintenance
 - Other costs that are directly identifiable with the costs of services provided or revenue generated
 - Currency risk

All the purchases are in UAE Dirhams or US Dollars. As a result, the Establishment is not exposed to any fluctuation of currency risk.
- c) Other income (Note 8)**
- Composition
 - Interest income
 - Foreign exchange gain (net)
 - Classification for interest income
 - In the net fair value gains/(losses) on these assets: for interest income from financial assets at fair value and routed through profit or loss
 - Other income: interest income on financial assets at amortised cost and financial assets at fair value, routed through other comprehensive income
 - Finance income in the statement of profit or loss and other comprehensive income: interest income earned from financial assets held for cash management purposes
 - Other income: interest income from any other source
 - Recognition
 - Interest income is accrued taking into account the effective yield on the asset and comprises interest on funds invested
 - See 'incidence' at Note 3 (e)
- d) Borrowing costs (Note 10)**
- Composition

Costs incurred on funds obtained from banks, financial institutions or related parties
 - Revenue recognition

Accrued and expensed out on period basis
 - Capitalisation

Added to the cost of the assets concerned to the extent directly attributable to the acquisition / construction / production of the qualifying assets that necessarily take a substantial period of time beyond a reporting period to get ready for their intended use or sale
 - Exception

The Establishment has not availed loan or borrowed funds to satisfy its short term or long term capital requirements during the reporting period
- e) Foreign currency transactions and balances (Note 12)**
- Incidence
 - The Establishment generates revenue and incurs costs predominantly in the UAE Dirham
 - Recognition
 - Transactions in foreign currencies are translated into the UAE Dirham at the rate of exchange ruling on the dates of the transactions, or valuation where items are re-measured
 - Monetary assets and liabilities expressed in foreign currencies are translated into the UAE Dirham at the rate of exchange ruling at the end of the reporting period

Notes to the Financial Statements
Period ended 31 March 2024

3 Summary of significant accounting policies adopted and consistently applied (Continued)

e) Foreign currency transactions and balances (Continued) (Note 12)

- Recognition (Continued) - Non-monetary items that are measured at historical cost in a foreign currency are not translated – these are measured at a fair value in that foreign currency and translated into the functional currency at the exchange rate when the fair value was determined
- Classification Gains or losses resulting from settlement of transactions in a foreign currency and from the translation at the year-end exchange rates of monetary assets and liabilities are recognised in the profit or loss on net basis as either foreign exchange gains or losses and included in other income or other expenses respectively
- Consolidation The Establishment does not have foreign operations

f) Leases

- Applicable to
 - i) Operating lease where Establishment is a lessee
 - ii) Finance lease where Establishment is a lessee
 - iii) The Establishment as an intermediate lessor
 - iv) Operating or finance lease where Establishment is a lessor
- The policy is described below

i) Operating lease where Establishment is a lessee

Where the only lease rent is in respect of premises and the lease is renewable yearly

- Composition Short-term operating leases for the office premises
- Revenue recognition Charged to the statement of profit or loss and other comprehensive income on a straight-line basis
- Classification Included under 'Administrative expenses'

Right-of-use assets

- Recognition Recognised at the commencement date of the lease – the date the underlying asset is available for use
- Stated at
 - Measured at cost*, less accumulated depreciation~ and impairment^
 - Adjusted for remeasurement of lease liabilities
- Classification Recognised under property and equipment in the statement of financial position
- Cost*
 - Amount of lease liabilities recognised
 - Initial direct costs incurred
 - Lease payments made at or before the commencement date
 - Deduction or adjustment for lease incentives received
- Depreciation~
 - Depreciated if the Establishment is not reasonably certain to obtain ownership of the leased asset at the end of the leased term
 - On a straight-line basis over the shorter of its estimated useful life and the lease-term
- Impairment^ Losses recognised as applicable to the asset

Lease liabilities

- Recognition Recognised at the commencement date of the lease
- Stated at Measured at the present value of lease payments* to be made over the lease term

Notes to the Financial Statements
Period ended 31 March 2024

3 Summary of significant accounting policies adopted and consistently applied (Continued)

f) Leases (Continued)

i) Operating lease where Establishment is a lessee (Continued)

Lease liabilities (Continued)

- Present value of lease payments* Calculated by using the incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease is not readily determinable
- Lease liabilities after commencement date
 - Increased to reflect the accretion of interest
 - Reduced for the lease payments made

Short-term leases – where the new leases note is not applicable

- Recognition Payments made under short-term operating lease towards office premises
- Classification Charged to the statement of profit or loss and other comprehensive income on a straight-line basis and included under 'Administrative expenses'

Net investments in leases

- Recognition Leases in which the Establishment transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessees

ii) Finance lease where Establishment is a lessee

- Stated at
 - Recognised at an amount equal to the present value of the minimum lease payments under the lease agreement
 - Including guaranteed residual value and unamortised initial direct cost
- Classification
 - Included in the financial statements as 'Net investments in leases'
 - Amount recognised as a receivable

Interest income on net investments in leases

- Recognition In accordance with the finance lease method in accounting for recognition of finance lease
- Stated at
 - The total unearned interest income* is deferred
 - This is amortised over the term of the lease, to produce a systematic return on net investments in lease
- Total unearned interest income*
 - The excess of aggregate installment contract receivable
 - Plus residual value over the cost of the leased asset

iii) The Establishment as an intermediate lessor

- Recognition
 - Where an underlying asset is released by the Establishment ('intermediate lessor') to a third party
 - And the lease ('head lease') between the head lessor and Group remains in effect
- Classification of the sublease as finance lease or operating lease
 - As an operating lease when: The head lease is a short-term lease that the entity, as a lessee, has accounted for by recognising the lease payments as an expense on a straight-line basis over the term of the lease
 - Otherwise: by reference to the right-of-use asset arising from the head lease, rather than by reference to the economic useful life of the underlying asset (such as the item of property and equipment that is the subject of the lease)
- Exception There is no impact on lease accounting arising from IFRS 16 on the lessor

Notes to the Financial Statements
Period ended 31 March 2024

3 Summary of significant accounting policies adopted and consistently applied (Continued)

g) Property and equipment (Continued) (Note 14)

Revaluation

- Freehold land and buildings
 - In the opinion of Management, where reliable estimates of market value are available, stating the Establishment's freehold and leasehold land and buildings at valuation provides a more meaningful reflection of the decisions to acquire such properties and of the Establishment's asset position at the end of reporting period.
 - The Establishment does not own any land and building at present and this policy will be implemented when these are acquired.
- Other assets
 - Where revaluation causes a change in the carrying amount of an asset:
 - Increase: credited to other comprehensive income and shown as revaluation reserve in the statement of changes in equity
 - Decrease: accounted as loss in the statement of profit or loss and other comprehensive income
 - Increase: to the extent it reverses the previous decrease of the same asset which was previously recognised as loss under the statement of profit or loss and other comprehensive income, is recognised as a gain in the statement of profit or loss and other comprehensive income.
 - Decrease: to the extent it reverses the previous increase of the same asset, is charged in other comprehensive income and directly debited to revaluation reserve in the statement of changes in equity.
- Revaluation reserve
 - An amount equal to the additional depreciation charge each year arising as a result of the revaluation is transferred from revaluation reserve to retained earnings
 - The revaluation reserve is not available for distribution
 - On disposal of a revalued asset, the remaining related revaluation reserve, if any, is transferred to retained earnings
- Fair value
 - Assessed as an estimate of residual values at each end of the reporting period in the absence of market value
 - Taken into account in the event of an identifiable material difference between cost less depreciation and such fair value assessed

h) Investment (Note 13)

- Composition
 - Included in subsidiaries:
 - Other companies where the Establishment is holding more than 50% of their share capital and/or
 - Other companies where the Establishment has significant influence, through participation in that company's financial and operating policies
- Accounting
 - Fair value method
- Stated at
 - Cost, less impairment loss, if any

i) Trade receivables (Note 16)

- Stated / carried at
 - Invoiced amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts at the end of the reporting period
- Composition
 - Amounts due from the clients for services performed in the ordinary course of business

Notes to the Financial Statements
Period ended 31 March 2024

3 Summary of significant accounting policies adopted and consistently applied (Continued)

i) Trade receivables (Continued) (Note 16)

- Composition basis
 - Current asset: if collection is expected in one year or less
 - Non-current asset: in all other cases, carried at the invoiced amounts less an estimate of provision for doubtful receivables based on a review of all outstanding amounts at the year-end
 - Doubtful debts: if the Management considers the trade receivable 'less' than fully recoverable, an appropriate provision for doubtful debt as required at the end of the reporting period is created
 - Bad debts: written off when identified
- Impairment

An ageing analysis of trade receivables is carried out at the end of each reporting period to determine the impairment to their carrying values
- Exception

The receivable is treated as a sovereign debt and is not impaired
- Credit policy
 - The clients are extended credit period of up to 15 days
 - On the basis of assessment of their creditworthiness
 - Judged by their conduct in the past, Management's trade experience, their reputation of financial standing, market information and the market in which they operate
- Credit monitoring

The Management regularly monitors the outstanding amounts and follows up for recovery with periodic calls and occasional visits to the clients
- Prepayments

Prepaid expenses represent the amounts that have already been incurred but not fully consumed and may be classified as a separate line item

j) Direct and indirect taxation

Value-added tax (VAT) (Notes 16 & 21)

- Composition & classification
 - VAT charged by suppliers (input credits)

Accounted as VAT receivable under 'Trade and other receivables'
 - VAT charged to clients

Accounted as VAT payable under 'Trade and other payables'
 - VAT is not accounted for on provisions during the reporting period that have been settled / paid subsequent to the end of the reporting period.
- Settlement

The net amount of VAT payable after offsetting the VAT receivable is paid to the Government within the stipulated time of 28 days from the end of the Tax Period as allocated to the Establishment

Income-tax (IT)

- Exception

As the Establishment is not engaged in production of oil & gas or extraction of natural resources in the UAE and it does not belong to the banking sector, it is not liable to income-tax as there is no Corporate Taxation in the UAE

k) Cash and cash equivalents (Note 17)

- Composition
 - Cash
 - Balance in a current account with a bank
 - Bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit
- Credit risk

Not exposed – bank account is placed with a reputed bank
- Currency risk

Not exposed – bank account is designated in UAE Dirhams

Notes to the Financial Statements
Period ended 31 March 2024

3 Summary of significant accounting policies adopted and consistently applied (Continued)

l) Capital employed (Note 18)

- Composition
 - Share capital
 - Statutory reserve
 - Retained earnings
 - Shareholder's current account
- Management objectives
 - Ensure healthy capital ratios are maintained at acceptable levels
 - Maintain adequate funds to safeguard the ability to continue operations on an on-going basis as a going concern
 - Provide the Shareholder with a reasonable rate of return under the prevailing economic conditions and the risks encountered
- Capital management

In order to maintain or adjust the capital structure, the Establishment defers or adjusts dividend payments or introduces additional capital or loans
- Consistency

There are no changes in this policy during the current year

m) Statutory reserve (Page 7)

- Basis of calculation
 - Minimum appropriation of 10% of the profits of the Establishment till the reserve equals 50% of the paid-up share capital
 - As required by Article 13 (a) of the Articles of Incorporation of the Establishment
- Nature

Not available for distribution

n) Borrowings (Note 19)

- Classification

Current liabilities unless the Establishment has an unconditional right to defer settlement of the liability for at least 12 months after the reporting
- Stated at
 - Initially: recognised at fair value, net of transaction costs incurred
 - Subsequently: measured at amortised cost using the effective interest method*
- Effective interest method*

A method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period
- Effective interest rate

The rate that exactly discounts estimated future cash payments through the expected life of the financial liability
- Inclusion of initial financing cost
 - Fees paid on the establishment of the borrowing facilities are recognised as transaction costs to the extent the facility will be drawn down.
 - Deferred fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates, until the draw down occurs and to the extent there is no evidence to the contrary
- Renegotiation

Where the terms of a financial liability are renegotiated, a gain or loss is recognised in the statement of profit or loss and other comprehensive income, which is measured as the difference between the carrying amount of the financial liability and the fair value of the financial liability agreed.
- Repayment

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Notes to the Financial Statements
Period ended 31 March 2024

3 Summary of significant accounting policies adopted and consistently applied (Continued)

n) Borrowings (Continued) (Note 19)

- Repayment (Continued) - The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income as other income or finance costs, as applicable.
- Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method

o) Staff end-of-service gratuity (Note 20)

- Stated at Amount payable to the staff at the end of the reporting period
- Basis of provision In accordance with the local labour laws
- Basis of calculation
 - 21 days' or 30 days' of basic salary on proportionate basis for each year or part thereof up to or after the completion of 5 years respectively and
 - 2/3rd or complete provision depending on completion of employment of 1 to 5 years or 5 years and above respectively
- Critical assumptions
 - That all employees were to leave at the reporting date
 - That all employees will continue under employment till their benefits mature under the going concern assumption
 - That the difference in liability calculated on an actuarial basis on account of offsetting effect of inflation and discount rates is insignificant

p) Trade payables, provisions and accruals (Note 21)

- Composition
 - Liabilities for goods and services provided to the Establishment prior to the end of the reporting period
 - Amounts to be paid in future for goods sold and services rendered to the Establishment, whether or not billed to the Establishment
 - Provisions based on a reliable estimate of the probable outflow of resources embodying economic benefits that will be required to settle a present legal or constructive obligation as a result of past events
- Incidence Recognised when a reliable estimate of the amount of the obligation can be made
- Classification Presented as current liabilities unless payment is not due within twelve months after the reporting date
- Stated at
 - Initially: recognised at fair value
 - Subsequently: measured at amortised cost using the effective interest method*
- Effective interest method* A method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period
- Effective interest rate The rate that exactly discounts estimated future cash payments through the expected life of the financial liability
- Settlement The amounts are unsecured and usually paid within 30 to 60 days of recognition, subject to exceptions

Notes to the Financial Statements
Period ended 31 March 2024

- 3 Summary of significant accounting policies adopted and consistently applied (Continued)**
- p) Trade payables, provisions and accruals (Continued) (Note 21)**
- Post sales, client support and warranties The estimated claims to repair or replace products still under warranty at the end of the reporting period are recognised based on the historical knowledge of the level of repairs and replacements and debited to 'Warranty claims' account
- q) Related parties (Note 22)**
- Composition Entities that fall within the definition of a related party as contained in International Accounting Standard 24, with whom the Establishment enters into transactions
 - Assumptions
 - Management considers such transactions to be in the normal course of business and essential for achieving its objectives
 - Expenses that would have been incurred by any other employee, if incurred by a related party, are not classified (and reported) separately
 - Comprises of
 - Shareholder
 - Company under common management control
- r) Contingencies (Note 23)**
- Presentation Not recognised in the financial statements
 - Disclosure
 - Contingent liabilities: Disclosed unless the possibility of an outflow of resources embodying economic benefits is remote
 - Contingent assets: Disclosed when an inflow of economic benefits is probable
- s) Statement of Cash Flows (Page 8)**
- Presentation Prepared for presenting the segregation of cash flows from operating, investing and financing activities based on the nature of items
 - Reporting Reporting uses the indirect method, whereby profit/(loss) is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future of cash receipts & payments and for items of income & expenses which are reflected in investing or financial activities
- t) Non-derivative financial assets and liabilities (Note 4)**
- i) Non-derivative financial assets**
- Financial assets at amortised cost**
- Classification Financial assets that have fixed or determinable payments and for which there is no active market
 - Stated at
 - Initial recognition: at fair value plus any directly attributable transactions costs
 - Subsequent to initial recognition: measured at amortised cost using the effective interest method {explained at Note 3 (p)}
 - Composition
 - Current and non-current loans and advances
 - Trade and other receivables (including retentions receivable)
 - Related party receivables

Notes to the Financial Statements
Period ended 31 March 2024

3 Summary of significant accounting policies adopted and consistently applied (Continued)

t) Non-derivative financial assets and liabilities (Continued) (Note 4)

i) Non-derivative financial assets (Continued)

Financial assets at amortised cost (Continued)

- Composition (Continued) - Bank balances (including fixed, margin and call deposits with banks and financial institutions) and cash

Financial assets at fair value through other comprehensive income (financial assets at FVOCI)

- Classification Investments in equity shares or debt securities which are not classified as held-for-trading
- Exception The Establishment does not hold financial assets at FVOCI

ii) Non-derivative financial liabilities

- Composition - Trade and other payables (including retentions payable)
- Related party payables

iii) Derecognition of financial assets and liabilities

- Financial assets - When its contractual rights to cash flows from the assets cease and
- Any interest in such derecognised financial assets that is created or retained by the Establishment is recognised as a separate asset
- Financial liabilities When its contractual obligations are discharged or cancelled or expire

iv) Offsetting of financial assets and liabilities

- Incidence Financial assets and financial liabilities are offset when, and only when:
 - The Establishment has a legal right to offset the amounts and
 - The Establishment intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously
- Stated at The net amount is presented in the statement of financial position

4 Risk management

The Establishment's activities expose to a variety of financial risks such as credit risk, currency risk, interest rate risk, market prices risk and liquidity risks as follows:

- Credit risk - The risk of financial loss to the Establishment if a clients or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Establishment's clients and banks
- Explained in - Revenue {Notes 6 (b) & 3 (a)}
- Cost of revenue {Notes 7 (a) & 3 (b)}
- Non-current financial assets {Note 15 (a)}
- Trade and other receivables {Notes 16 (a) & 3 (i)}
- Cash and cash equivalents {Notes 17 (b) & 3 (k)}
- Interest rate risk - The possibility that the value of an investment will decline as the result of an unexpected change in interest rates
- The Establishment does not avail credit facilities but maintains interest bearing deposits with banks; it is exposed to interest rate fluctuation risk
- Explained in Other income {Notes 8 & 3 (b)}

Notes to the Financial Statements
Period ended 31 March 2024

4 Risk management (Continued)

The Establishment's activities expose to a variety of financial risks such as credit risk, currency risk, interest rate risk, market prices risk and liquidity risks as follows: (Continued)

- | | |
|---------------------------|---|
| - Currency risk | - The risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates {Note 3 (e)} |
| | - The Establishment's Management is conscious with its positions by currency |
| Explained in | - Revenue {Notes 6 (c) & 3 (a)} |
| | - Cost of revenue {Notes 7 (c) & 3 (b)} |
| | - Trade and other receivables {Note 16 (b)} |
| | - Cash and cash equivalents {Note 17 (a) & 3 (k)} |
| | - Trade and other payables {Note 21 (a)} |
| - Market prices risk | - The risks arising from changes in market prices, such as foreign exchange rates, interest rates and equity prices which would affect the Establishment's income or the value of its holdings of financial instruments |
| | - The Management strives to manage market risk exposures within acceptable parameters, while optimising the return |
| | - If necessary, funds are arranged from the Shareholder or related parties to ensure that the payment obligations are met on time |
| - Liquidity risk | - The risk where the Establishment may encounter difficulty in meeting its financial liabilities that are either settled in cash or exchanged with another financial asset {Note 3 (t)} |
| | - For the purpose of effective management of the working capital, the Establishment strives to strike a balance between the credit period allowed by its suppliers with that allowed to its clients |
| Explained in | - Non-current financial assets {Note 15 (a)} |
| | - Trade and other receivables {Notes 16 (a) & 3 (i)} |
| Details of maturity dates | The details of maturity dates of the Establishment's financial liabilities are not presented as they do not significantly affect its financial position at the end of the reporting period or its performance for the period. |
| - Other risks | The other significant risks to which the business would be exposed |
| Explained in | The notes on the relevant account balances, if such risks exist |

5 Business model

The Establishment has entered into contract with the Port of Fujairah (PoF) to operate, maintain and repair the entire bulk cargo handling system comprising of a ship loading conveyor system. The PoF has a self loading system that is unique in many respects, capable of loading over 5,000 MT of aggregates per hour in marine vessels, which the Establishment manages partly.

They have assured a base volume of cargo, which insures a minimum level of revenue to cover the expenses. The Establishment has in-house administrative and management personnel and the technical aspects of the maintenance are outsourced to a competent third party.

Notes to the Financial Statements
Year ended 31 March 2024

	2024 AED	2023 AED
6 Revenue		
Cargo handling and maintenance services (a)	8,150,779	7,286,260
Performance incentive (d)	-	2,000,000
	<u>8,150,779</u>	<u>9,286,260</u>
a) The performance of the Establishment, in terms of throughput achieved as follows:		
Stevedoring of aggregate (in metric tons)	<u>12,045,948</u>	<u>11,779,853</u>
b) Credit risk – concentration		
Since the Establishment has been set up to provide services to a single client, the exposure to concentration of revenue risk is incidental to its purpose and cannot be mitigated.		
c) Currency risk		
The client, based in UAE, is invoiced in UAE Dirham. As such, the Establishment is not exposed to any currency risk with respect to overseas sales.		
d) During the previous year, the Establishment was able to negotiate and bill performance incentive for the throughput achieved in 2020 & 2021 despite the downturn due to Covid.		
e) Refer Note 3 (a) for a summary of the accounting policy adopted and consistently applied.		
7 Cost of revenue		
Cargo handling expenses (a) & (b)	5,911,933	4,020,388
Equipment hire charges	2,171	41,972
Repairs and maintenance	69,052	332,711
Other direct expenses	93,405	10,608
	<u>6,076,561</u>	<u>4,405,679</u>
a) The Establishment has completely outsourced the activity of cargo handling and repairs to an independent third party. As such, the cargo handling expenses includes all the costs incurred for the third party to provide qualified operation, maintenance and administrative manpower around the clock and perform all services as agreed.		
b) The cargo handling sub-contractor's fee includes a proportionate performance incentive. The Establishment has provided a back-to-back assurance on minimum performance, but has provided for a lower incentive as mutually agreed between the Management and the supplier.		
c) Currency risk		
All the purchases are in UAE Dirhams or the US Dollar, which is pegged to the UAE Dirham . As a result, the Establishment is not exposed to any fluctuation of currency risk.		
d) Refer Note 3 (b) for a summary of the accounting policy adopted and consistently applied.		

Notes to the Financial Statements
Year ended 31 March 2024

	2024	2023
	AED	AED
8 Other income		
Interest on fixed deposits	176,697	118,116
Interest on loan to a related party (Note 16)	2,938,650	-
Gain on disposal of property and equipment (Note 14)	-	51,010
	<u>3,115,347</u>	<u>169,126</u>

Refer Note 3 (c) for a summary of the accounting policy adopted and consistently applied.

9 Administrative expenses		
Staff costs (Note 8)	2,211,624	868,033
Trade license expenses and office rent	40,743	27,489
Telephone expenses	41,235	21,880
Travelling and boarding	225,604	6,205
Professional fees	12,850	44,573
Printing and stationery	3,254	1,613
Bank charges	5,536	1,280
Depreciation (Note 14)	202,057	28,659
Other expenses	101,222	221,101
Less: charged to Port of Fujairah (a)	(823,994)	-
	<u>2,020,131</u>	<u>1,220,833</u>

- a) In order to better reflect its business model and purpose, the Management has changed the method of disclosure of revenue and expenses starting from 1 January 2024. As part of its agreement with the Port of Fujairah, all the expenses are charged to the account of Port of Fujairah on a monthly basis instead of considering as expenses of the Establishment.
- b) Expenses that are incurred for the Manager, that would be otherwise incurred by an employee of the Company, are not treated as related party expenses, unless specifically incurred for his benefit.

10 Finance costs		
Loan processing fees (Note 19)	490,642	-
Interest on loans (Note 19)	10,656,425	-
Bank guarantee charges	1,000	-
	<u>11,148,067</u>	<u>-</u>

Refer Note 3 (d) for a summary of the accounting policy adopted and consistently applied.

Notes to the Financial Statements
Year ended 31 March 2024

	2024 AED	2023 AED
11 Staff costs		
Salaries and benefits	2,128,908	807,166
Insurance	26,048	37,807
Provision for staff end-of-service gratuity (Note 20)	56,668	23,060
	2,211,624	868,033

Although staff is engaged in supervising the efficient execution of the performance obligation, the entire staff cost is recognised as an administrative cost as the expense is fixed in nature and does not change with the change in revenue earned.

12 Other expense		
Foreign exchange loss (net)	87,137	-

Refer Note 3 (e) for a summary of the accounting policy adopted and consistently applied.

13 Investment in subsidiary		
At cost (Issued share capital)		
- JSW Middle East Liquid Terminal Corp.	552,936,427	-

a) This investment represents 500 shares as per the share purchase agreement in JSW Middle East Liquid Terminal Corp, The Republic of the Marshall Islands.

b) Refer Note 3 (h) for a summary of the accounting policy adopted and consistently applied.

14 Property and equipment	Equipment	Computers	Motor vehicles	Total
	AED	AED	AED	AED
Net book values				
Cost	2,544,496	59,019	415,165	3,018,680
Accumulated depreciation	(142,536)	(15,148)	(197,355)	(355,039)
As at 31 March 2024	2,401,960	43,871	217,810	2,663,641
Cost		12,383	287,866	300,249
Accumulated depreciation		(6,568)	(146,415)	(152,983)
As at 31 March 2023	-	5,815	141,451	147,266
Reconciliation of net book values				
As at 1 April 2022	-	1	16,244	16,245
Additions during the year	-	5,814	153,866	159,680
Disposal during the year				
- Cost	-	-	(101,000)	(101,000)
- Accumulated depreciation	-	-	101,000	101,000
Depreciation for the year	-	-	(28,659)	(28,659)
As at 31 March 2023	-	5,815	141,451	147,266

Notes to the Financial Statements
Year ended 31 March 2024

14 Property and equipment (Continued)

	Equipment	Computers	Motor vehicles	Total
	AED	AED	AED	AED
Reconciliation of net book values				
As at 1 April 2023	-	5,815	141,451	147,266
Additions during period	2,544,496	46,636	127,300	2,718,432
Depreciation for the year	(76,998)	(9,236)	(115,823)	(202,057)
As at 31 March 2024	2,467,498	43,215	152,928	2,663,641

Refer Note 3 (g) for a summary of the accounting policy adopted and consistently applied.

	2024	2023
	AED	AED
15 Non-current financial assets		
Deposits held with FFZA (a)	38,000	26,000
Loan to a related party {Note 22 (a) (ii)}	117,620,931	-
Rent and security deposits with landlords	40,000	37,000
	117,698,931	63,000

- a) Credit risk – exposure: These are maintained with the FFZA for release of passports of staff.
- b) These are intended to be held for more than 12 months from the end of the reporting period.

16 Trade and other receivables

Trade receivable (a)	1,057,953	743,559
Accrued interest on fixed deposits	-	118,116
VAT receivable	318,263	18,075
Prepaid expenses (c)	87,270	50,696
Staff advances	692	-
	1,464,178	930,446

a) Credit risk

i) Impairment

- Composition	Ageing analysis of trade receivables as at the end of the reporting period	
- Exposure	- Neither past due nor impaired	
	Less than 15 days	- 782,488
	- Past due but not considered impaired	
	15 days to 1 month	1,057,953 328,863
	Receivables at the end of the year	1,057,953 1,111,351

ii) Expected credit losses

Although the entire trade receivable is due from one client, this is in line with the concentration of revenue and follows the purpose of setting up the Establishment. As such, no provision for ECL is required.

Notes to the Financial Statements
Year ended 31 March 2024

16 Trade and other receivables (Continued)

- b) Currency risk: The client is invoiced in UAE Dirham or. As such, the Establishment is not exposed to currency risk with respect to the trade receivable.
- c) Prepaid expenses represent the amounts that have already been incurred but not fully consumed.
- d) Refer Notes 3 (i) & (p) for a summary of the accounting policy adopted and consistently applied.

	2024	2023
	AED	AED
17 Cash and cash equivalents		
Cash on hand	-	4,866
Bank balances:		
- Balance in a current account with a bank	8,057,224	8,510,849
- Fixed deposit	-	6,000,000
	<u>8,057,224</u>	<u>14,515,715</u>

- a) Currency risk
 - Composition Exposure to fluctuation of currency risk with respect to bank balance
 - Exposure The bank account is maintained in UAE Dirhams. As such, the Establishment is not exposed to currency risk with respect to the bank balance.
 - Mitigation Not required
- b) Credit risk
 - Composition The risk of financial loss and subsequent irrecoverability of the bank balance in the event of a collapse of the bank
 - Exposure Bank balance is maintained in a bank with good credit rating
- c) Fixed deposit was maintained at the prevailing rates of interest with maturity periods up to 9 months from the dates of placement.
- d) Refer Note 3 (k) for a summary of the accounting policy adopted and consistently applied.

18 Share capital

- | | | |
|------------------------------------|---------------------------|----------------|
| 1,000 shares of AED 211,956.1 each | <u>211,956,100</u> | <u>150,000</u> |
|------------------------------------|---------------------------|----------------|
- a) Pursuant to an amendment of the Memorandum of Association on 14 December 2023, the share capital of the Establishment has been increased from AED 150,000, comprising of 1,000 Shares of AED 150 each, to AED 211,956,100, comprising of 1,000 Shares of AED 211,956.1 each.
 - b) Refer Note 3 (l) for a summary of the accounting policy adopted and consistently applied.

19 Borrowings

Bank loan (a)	434,843,655	-
Loan from a related party (a)	34,338,769	-
Less: Pre-paid processing fee paid (b)	<u>(6,119,858)</u>	-
	<u>463,062,566</u>	<u>-</u>

Notes to the Financial Statements
Year ended 31 March 2024

19 Borrowings (Continued)

a) Repayment schedule of bank borrowings has been explained below:

	Bank loan	Loan from a related party	Total
	AED	AED	AED
Loans availed	433,354,867	34,338,769	467,693,636
Add: Interest accrued (Note 10)	1,488,788	-	1,488,788
Closing balance	<u>434,843,655</u>	<u>34,338,769</u>	<u>469,182,424</u>
Repayment schedule			
Non-current			
Between 1 and 2 years	36,725,000	6,867,754	43,592,754
Between 2 and 3 years	44,070,000	6,867,754	50,937,754
Between 3 and 4 years	44,070,000	6,867,754	50,937,754
Between 4 and 5 years	<u>279,109,867</u>	<u>6,867,754</u>	<u>285,977,621</u>
(A)	403,974,867	27,471,015	431,445,882
Current (B)	<u>30,868,788</u>	<u>6,867,754</u>	<u>37,736,542</u>
	<u>434,843,655</u>	<u>34,338,769</u>	<u>469,182,424</u>

b) The processing fee, pre-paid by the company to the lender, is being amortized over the duration of the loan. This accounting practice adheres to the matching principle, ensuring a more accurate representation of the cost incurred in obtaining financing. By spreading the amortization over the life of the loan, the Company maintains a consistent recognition of expenses, aligning with standard accounting principles and providing a comprehensive depiction of the financial impact associated with the related liability.

Movement schedule of the processing fee is explained below:

Movement in incremental processing fee

Incremental processing fee paid in advance	6,610,500	-	6,610,500
Less: Amortised during the year (Note 10)	<u>(490,642)</u>	<u>-</u>	<u>(490,642)</u>
Closing balance	<u>6,119,858</u>	<u>-</u>	<u>6,119,858</u>

Amortisation schedule

Non-current			
Between 1 and 2 years	1,555,127	-	1,555,127
Between 2 and 3 years	1,330,323	-	1,330,323
Between 3 and 4 years	1,165,570	-	1,165,570
Between 4 and 5 years	<u>948,739</u>	<u>-</u>	<u>948,739</u>
(C)	4,999,759	-	4,999,759
Current (D)	<u>1,120,099</u>	<u>-</u>	<u>1,120,099</u>
	<u>6,119,858</u>	<u>-</u>	<u>6,119,858</u>

Net borrowings

Non-current	(A) - (C)	398,975,108	27,471,015	426,446,123
Current	(B) - (D)	<u>29,748,689</u>	<u>6,867,754</u>	<u>36,616,443</u>
		<u>428,723,797</u>	<u>34,338,769</u>	<u>463,062,566</u>

Notes to the Financial Statements
Year ended 31 March 2024

19 Borrowings (Continued)

- c) The bank loan is for USD 120,000,000 taken at an interest rate of 7.34% p.a. (3 Months Term SOFR 5.39% plus Margin 1.95% p.a.) with a maturity of 5 years.
- d) The agreement for the loan from a related party is for a maximum of INR 835,000,000 with an interest rate of 3 Months Term SOFR plus Margin 195 bps with a maturity of 5 years and 3 months.
- e) Refer Note 3 (n) for a summary of the accounting policy adopted and consistently applied.

	2024	2023
	AED	AED
20 Provision for staff end-of-service gratuity		
Opening balance	46,775	25,145
Provision for the year (Note 11)	56,281	21,630
Closing balance	<u>103,056</u>	<u>46,775</u>

Refer Note 3 (o) for a summary of the accounting policy adopted and consistently applied.

21 Trade and other payables

Sub-contractor	2,042,494	1,805,583
Provisions for staff salaries and airfare	639,684	573,804
Professional fee	30,056	28,050
	<u>2,712,234</u>	<u>2,407,437</u>

- a) The Establishment is invoiced in UAE Dirham or US Dollars, which is pegged to UAE Dirham. As such, the Establishment is not exposed to currency risk with respect to the trade payables.
- b) Refer Notes 3 (j) & (p) for a summary of the accounting policy adopted and consistently applied.

22 Related parties

- a) Significant balance with the related parties at the end of the reporting period:

i) Shareholder

Borrowing (Note 19)	34,338,770	-
Interest accrued on borrowing (Note 19)	394,793	-
Non-cash guarantee against performance bank guarantee (Note 23)	<u>15,000,000</u>	<u>15,000,000</u>

ii) Company under common management control

JSW Middle East Liquid Terminal Corp.		
- Investment (Note 13)	552,936,427	-
- Loan (Note 15)	<u>117,620,931</u>	<u>-</u>

- b) Significant transaction with the related parties during the year:

i) Shareholder

Interest expense (Note 19)	<u>394,793</u>	<u>-</u>
----------------------------	----------------	----------

Notes to the Financial Statements
Year ended 31 March 2024

	2024 AED	2023 AED
22 Related parties (Continued)		
b) Significant transaction with the related parties during the year: (Continued)		
ii) Company under common management control		
JSW Middle East Liquid Terminal Corp.		
- Interest income (Note 8)	<u>378,987</u>	<u>-</u>
c) Refer Note 3 (q) for a summary of the accounting policy adopted and consistently applied.		
23 Contingent liability		
Bank guarantees	<u>12,000,000</u>	<u>2,000,000</u>
a) This performance bank guarantee is provided to the client. It is secured by the Shareholder's guarantee of AED 15,000,000. (Note 22)		
b) Refer Note 3 (r) for a summary of the accounting policy adopted and consistently applied.		
24 Approval of financial statements		
Approved by the Directors on behalf of the Shareholder and authorised for issue on 24 April 2024.		
These financial statements are circulated with digitally inserted signatures of the Directors, who will make the originals available, if required by the reader.		

For JSW Terminal (Middle East) FZE

Lalit Singhvi
Director



Madhu Gopal Ravikanthi
 Director



Krunal Aundhiya
 Director

Prudential Auditing

PO Box 5201, Fujairah, UAE

www.prudentialauditing.com