EMAMI OVERSEAS FZE

P. O. Box 52338, Hamriyah Free Zone, Sharjah, United Arab Emirates

Financial Statements and Auditor's Report

For the Year Ended March 31, 2022

CONTENTS **PAGE**

Director's Report to the Shareholder

The director submits his report and audited financial statements for the year ended March 31, 2022.

Results

The net loss for the year is amounted to AED 41,564 as compared AED 35,751 in the previous year March 31, 2021.

Review of the business

The Company is licensed to trade in import, export and trading in perfumes and cosmetics, beauty and baby care products, gifts and novelties, health food etc (subject to ministry of health approval).

Auditors

A resolution to re-appoint N. R. Doshi & Partners, Public Accountants as auditors and fix their remuneration will be put to the shareholder at the Annual General Meeting.

Amitabh Goenka

Mr. Amitabh Goenka
Director

Date : April 28, 2022

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Independent Auditor's Report to the Shareholder of

EMAMI OVERSEAS FZE
P. O. Box 52338, Hamriyah Free Zone, Sharjah, United Arab Emirates

Report on the audit of the financial statements

We have audited the financial statements of **Emami Overseas FZE** ("the Company"), which comprise the statement of financial position as at March 31, 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year ended and notes to the financial statements, including summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022, and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the 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 Matters

Without qualifying our report, we draw attention to note 6.3(iii) to these financial statements, the consolidated financial statements prepared by the ultimate parent Company Emami India Ltd. is as per Ind AS and not as per IFRS.

Responsibilities of management and those charged with governance for the financial statements

The Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Articles of Association of the Company, Hamriyah Free Zone Authority pursuant to Emiri Decree No. (6) of 1995 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

(Independent auditor's report continued on next page...)

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Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

(Independent auditor's report continued on next page...)

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Independent auditor's report on Emami Overseas FZE (continued...)

Report on other legal and regulatory requirement

As required by the Implementing Rules and Regulations issued by the Hamriyah Free Zone Authority pursuant to Emiri Decree No. (6) of 1995; we report that:

i. we have obtained all the information we considered necessary for the purposes of our audit;

ii. the financial statements of the Company have been prepared and comply, in all material respects, with the Hamriyah Free Zone Authority pursuant to Emiri Decree No. (6) of 1995.

iii. the Company has maintained proper books of accounts;

iv. the Company has not purchased any shares or stocks during the financial year;

v. the financial information included in the director's report is consistent with the Company's books of accounts;

vi. note 15 to the financial statements of the Company reflects material related party transactions and the terms under which they were conducted;

vii. based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended March 31, 2022 any of the applicable provisions of the Hamriyah Free Zone Authority pursuant to Emiri Decree No. (6) of 1995 or its Articles of Association which would materially affect its activities or its financial position as at March 31, 2022.

N.R. Doshi &

Public Accountants

Dubai, United Arab Emirates

Date : April 28, 2022

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EMAMI OVERSEAS FZE
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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended March 31, 2022 All figures are expressed in U.A.E. Dirhams	**Notes**	**31.03.2022**	**31.03.2021**
Continuing operations			
Revenue from contract with customers		0	0
Cost of revenue		0	0
Gross profit		0	0
Other income		0	0
Other administrative expenses	7	(41,564)	(35,751)
Operating (Loss)		(41,564)	(35,751)
Finance cost		0	0
Finance income		0	0
(Loss) from continuing operations		(41,564)	(35,751)
Discontinued operations			
(Loss) for the year from discontinued operations		0	0
(Loss) for the year		**(41,564)**	**(35,751)**
Attributable to :			
Shareholder of the Company		(41,564)	(35,751)
Non-controlling interest		0	0
(Loss) for the year		(41,564)	(35,751)
Other comprehensive Income			
- Items that will not be reclassified subsequent to profit or loss		0	0
- Items that may be reclassified subsequent to profit or loss		0	0
Total Comprehensive Income for the year		**(41,564)**	**(35,751)**
Attributable to:			
Shareholder of the Company		(41,564)	(35,751)
Non-controlling interest		0	0
		(41,564)	(35,751)

These financial statements on pages 5 to 23 were authorised for issue on April 28, 2022 by the director and signed by:

Amitabh Goenka

Mr. Amitabh Goenka
Director

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The accompanying notes 1 to 20 form an integral part of these financial statements.

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Statement of Financial Position

As at March 31, 2022 All figures are expressed in U.A.E. Dirhams	Notes	31.03.2022	31.03.2021
ASSETS			
Non-Current Assets			
Investments in subsidiaries	8	0	0
Financial assets at amortised cost	9	6,910,797	6,907,130
Total non-current assets		6,910,797	6,907,130
Current Assets			
Other assets	10	16,833	16,833
Total current assets		16,833	16,833
Total assets		**6,927,630**	**6,923,963**
LIABILITIES			
Non-Current Liabilities			
Borrowings	11	9,021,223	8,978,355
Total non-current liabilities		9,021,223	8,978,355
Current Liabilities			
Trade and other payables	12	27,204	24,841
Total current liabilities		27,204	24,841
Total liabilities		9,048,427	9,003,196
Net Asset		**(2,120,797)**	**(2,079,233)**
Equity			
Share capital	1.1	25,000	25,000
Retained earnings	13	(2,145,797)	(2,104,233)
Total equity		**(2,120,797)**	**(2,079,233)**

These financial statements on pages 5 to 23 were authorised for issue on April 28, 2022 by the director and signed by:

Amitabh Goenka

Mr. Amitabh Goenka
Director

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Statement of Changes in Equity

For the Year Ended March 31, 2022
All figures are expressed in UAE Dirhams

	Share Capital	Retained Earnings	Total
Balance as at April 1, 2020	25,000	(2,068,482)	(2,043,482)
Profit or loss	0	(35,751)	(35,751)
Other comprehensive income	0	0	0
Total comprehensive income for the year	0	(35,751)	(35,751)
Transaction with shareholder recorded directly in equity	0	0	0
Balance as at March 31, 2021	**25,000**	**(2,104,233)**	**(2,079,233)**
Profit or loss	0	(41,564)	(41,564)
Other comprehensive income	0	0	0
Total comprehensive income for the year	0	(41,564)	(41,564)
Transaction with shareholder recorded directly in equity	0	0	0
Balance as at March 31, 2022	**25,000**	**(2,145,797)**	**(2,120,797)**

The accompanying notes 1 to 20 form an integral part of these financial statements.

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Statement of Cash Flows

For the Year Ended March 31, 2022 All figures are expressed in U.A.E. Dirhams	Notes	31.03.2022	31.03.2021
I. Cash flow from operating activities			
Net (loss) for the year		(41,564)	(35,751)
Changes in other assets		0	0
Changes in trade and other payables		2,363	8,641
Net cash (used in) operating activities		**(39,201)**	**(27,110)**
II. Cash flow from investing activities			
Changes in financial assets		(3,667)	0
Net cash (used in) investing activities		**(3,667)**	**0**
III. Cash flow from financing activities			
Changes in borrowing		42,868	27,110
Net cash flow from financing activities		**42,868**	**27,110**
Increase in cash and cash equivalents	**(I + II + III)**	**0**	**0**
Cash and cash equivalents as at beginning of the year	(Note 6.11, 14)	**0**	**0**
Cash and cash equivalents as at end of the year	(Note 6.11, 14)	**0**	**0**
Non-cash financing and investing activities		**Nil**	**Nil**

The accompanying notes 1 to 20 form an integral part of these financial statements.

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Notes to the Financial Statements

For the Year Ended March 31, 2022
All figures are expressed in U.A.E. Dirhams

1 Legal Status, Business Activities and Management

1.1 Legal Status

Emami Overseas FZE ("the Company") is incorporated as a Free Zone Establishment with limited liability pursuant to Emiri Decree No. (6) of 1995 of H.H. Sheikh Dr. Sultan Bin Mohammed Al Qassimi Ruler of Sharjah.

The Hamriyah Free Zone License Department has issued Commercial License No. 7157 dated November 25, 2010 bearing registration number 8120.

The Share Capital of the Company is AED 25,000 divided into 1 share of AED 25,000 each.

The following is the detail of the share capital of the Company:

Name of the Shareholder	Incorporated in	No. of Shares
M/s Emami International FZE, Sharjah, U.A.E	U.A.E	1

The registered office of the Company is located at Office No. E-85G-06, P.O. Box 52338, Hamriyah Free Zone-Sharjah, U.A.E.

1.2 Business Activities

The Company is licensed to trade in import, export and trading in perfumes and cosmetics, beauty and baby care products, gifts and novelties, health food etc (subject to ministry of health approval).

1.3 Management

The Company is managed by Mr. Kiran Mehta , manager of the Company.

2 Going Concern

Although the Company does not have any business activity for past six years, these standalone financial statements have been prepared on a going concern basis, which assumes that the Company will be able to generate profitability for the next 12 months. The Company has a commitment from its shareholder of a continuous support in terms of cash flow management.

3 Basis of Preparation

3.1 Compliance with International Financial Reporting Standard

The financial statements of the Company has been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretation Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

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Notes to the Financial Statements

3.2 Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value.

3.3 Functional and Presentation Currency

The financial statements are presented in U.A.E Dirhams, which is the Company's functional currency. All financial information presented in U.A.E Dirhams has been rounded to the nearest Dirhams.

4 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in conformity with IFRSs required management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

The key judgments and estimates and assumptions that have significant impact on the financial statements of the Company are as discussed below:

4.1 Satisfaction of Performance Obligations

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point of time in order to determine the appropriate method of recognising revenue. The Company has assessed that the revenue is recognised at a point in time based on agreements entered with customers and the provisions of relevant laws and regulations.

4.2 Determination of Transaction Price

The Company is required to determine the transaction price in respect of each of its contract with customers. In making such judgment the Company assesses the impact of any variable consideration in the contract, due to discounts, the existence of any significant financial component in the contract and any non-cash consideration in the contract.

4.3 Transfer of Control in Contracts with Customers

In the cases where the Company determines that performance obligation are satisfied at a point in time, revenue is recognised when the control over the asset that is the subject of the contract is transferred to the customer.

4.4 Determining the Lease Term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. Extension options in offices leases have not been included in the lease liability, because the Company could replace the assets without significant cost or business disruption.

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Notes to the Financial Statements

4.5 Useful Lives of Property, Plant and Equipment

The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The management periodically reviews estimated useful lives and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

4.6 Impairment of Financial Assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.7 Impairment of Non-Financial Assets

The Company assesses whether there are any indicators for impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amount may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

4.8 Fair Value Measurement of Financial Instrument

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

5.1 New Standards, Interpretations and Amendments to Existing Standards

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing from April 1, 2021. Although these new standards and amendments applied for the first time, they did not have a material impact on the financial statements of the Company. The new standard or amendment is described below:

IAS / IFRS	Brief Description
Amendments to IFRS 16	COVID-19 Related Rent Concessions
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform

5.2 Standards and Interpretations Issued but not yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for March 31, 2022 reporting period and have not been early adopted by the Company.

Notes to the Financial Statements

IAS / IFRS	Effective Date (Annual reporting period commencing from)	Brief Description
Amendments to IFRS 3	January 1, 2022	Reference to the Conceptual Framework
Amendments to IAS 16	January 1, 2022	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	January 1, 2022	Onerous Contracts - Cost of Fulfilling a Contract
IFRS 17	January 1, 2023	Insurance Contracts
Amendments to IAS 1	January 1, 2023	Classification of Liabilities as current or Non-current
Amendments to IAS 1	January 1, 2023	Disclosure of Accounting Policies
Amendments to IAS 8	January 1, 2023	Definition of Accounting Estimates
Amendments to IAS 12	January 1, 2023	Deferred tax related to assets and liabilities arising from single transaction.
Amendments to IFRS 10 and IAS 28	To Be Decided	Sale or Contribution of Assets between an Investors and its Associate or Joint Venture

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

6 Summary of Significant Accounting Policies

The accounting policies used by the Company in the preparation of these financial statements have been consistently applied to all the years presented, unless otherwise stated.

6.1 Foreign Currency

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

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Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

6.2 Revenue Recognition

6.2.1 Revenue from Contracts with Customers

The Company recognises revenue from contracts with customers based on five step model as set out in IFRS 15:

i - Identify the contracts with a customer.

ii - Identify the performance obligations in the contract.

iii - Determine the transaction price.

iv - Allocate the transaction price to the performance obligation in the contract.

v - Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company recognises revenue at the point in time which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to contractual liability.
Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

6.3 Investment in Subsidiaries

i. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

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Notes to the Financial Statements

ii. Investment in subsidiary company is not consolidated in these financial statements is recognised at cost. The cost method is a method of accounting for an investment whereby the investment is recognised at cost. The investor recognises income from the investment only to the extent that the investor receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as recovery of investment and are recognised as a reduction of cost of the investment.

iii. These financial statements are standalone financial statements of Emami Overseas FZE, UAE only and does not include results, assets and liabilities of its subsidiary company. The management of the Company has decided to exclude consolidation of the subsidiary company in these financial statements because, the ultimate parent Company Emami India Ltd. prepares consolidated financial statements of the group that comply with Ind AS.

6.4 Investments and Other Financial Assets

Assets that are held for collection of contractual cash flows where those cash flows represents solely payments of principal and interest are measured at amortized cost. At initial recognition, the Company measures a financial assets at amortised cost at its fair value. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains / (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Financial asset at amortised cost is derecognised when:

i. The right to receive cash flows from the asset have expired,

ii. The Company retains the right to receive cash flow from the asset, but has assumed an obligation to pay them in full without material delay to the third party under a 'pass-through' arrangement,

iii. The Company has transferred its right to receive cash flow from the asset and either:
- has transferred substantially all the risks and rewards of the asset, or
- has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

6.5 Financial Liabilities

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include borrowings and trade and other payables.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

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Notes to the Financial Statements

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

6.6 Leases

6.6.1 Company as a Lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments, variable lease payment and payments of penalties for terminating the lease.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising of the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date, any initial direct costs and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of offices and warehouses are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

6.7 Property, Plant and Equipment

6.7.1 Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

6.7.2 Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the items if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

6.8 Inventories

Inventories are stated at the lower of cost or net realized value, cost being determined using the weighted average cost method. Cost includes purchase value and all the expenses incurred in bringing the inventories to their present location and condition. Net realizable value is the estimate of the selling price in the ordinary course of business, less selling expenses. If the net realizable value of inventories is lower than the acquisition cost, the acquisition cost is adjusted to net realizable value and the difference between the original acquisition cost and revalued amount is charged to current operations. If, however, the circumstances that caused the valuation loss ceased to exist, causing the market value to rise above the carrying amount, the valuation loss is reversed limited to the original carrying amount before valuation.

6.9 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 365 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

6.10 Impairment of Non-Financial Assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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6.11 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises of cash in hand, bank current and call accounts and bank fixed deposits free from lien with a maturity date of three months or less from the date of deposit.

6.12 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 365 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

6.13 Provisions

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

The amount recognized 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 the effect of the time value of money is material.)

7 Other Administrative Expenses	31.03.2022	31.03.2021
Rent expenses	25,250	25,250
Other expenses	16,314	18,450
	41,564	43,700

8 Investments in Subsidiaries

		31.03.2022	31.03.2021
Cost			
Opening balance as at April 1, 2021		381,597	381,597
Addition during the year		0	0
Closing balance as at March 31, 2022	(A)	381,597	381,597
Impairment			
As at April 1, 2021		381,597	381,597
For the year		0	0
As at March 31, 2022	(B)	381,597	381,597
Net Value	(A-B)	0	0

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Notes:

i. These financial statements are standalone financial statements of Emami Overseas FZE, UAE only and does not include results, assets and liabilities of its subsidiary company. The ultimate parent Company Emami India Ltd. prepares consolidated financial statements of the group that comply with Ind AS. The same are available at Emami Tower IMD - 5th Floor, 687, Anandapur, E.M Bypass, Kolkata - 700107, West Bengal, India.

ii. Investment in subsidiary Company is recognised at cost.

iii. **Details of Subsidiary :**

Name of the Subsidiary Company	Incorporated in and Principle place of Business	Principal Activities	Effective Ownership
Pharmaderm Company SAE	Egypt	Manufacturing of Pharma and Cosmetic products	91%

iv. Out of the total number of shares held, 2 shares are in the name of related parties. However, the beneficial ownership remains with the Company.

9 Financial Assets At Amortised Cost

Loan given to related party (refer note 9.1)	6,910,797	6,907,130
	6,910,797	6,907,130

9.1 The loan given to related party are intrest free and term of repayments are not stipulated.

10 Other Assets

Prepayments	16,833	16,833

11 Borrowings

Balance as on April 1, 2021	8,978,355	8,951,245
Addition during the year	42,868	27,110
Balance as at March 31, 2022	9,021,223	8,978,355

Note: Above amount is unsecured, interest free and its repayment terms are not stipulated.

12 Trade and Other Payables

Accruals	27,204	24,841

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13 **Retained Earnings**	**2021**	**2020**
Balance as at beginning of the year	(2,104,233)	(2,068,482)
Net loss for the year	(41,564)	(35,751)
Balance as at end of the year	(2,145,797)	(2,104,233)

14 **Cash and Cash Equivalents**		
Cash in hand	0	0

15 Related Party and Transactions with Related Parties

For the purpose of these financial statements, parties are considered to be related to the Company, if the party has the ability, directly or indirectly, to control the Company or exercise the significant influence over the party in making financial or operating decisions, or vice versa, or where the Company and the party are subject to common control or significant influence. Related parties may be individuals or other entities.

15.1 Related Party Balances

Significant related party balances are as follows:

Due from related parties	6,910,797	6,907,130
Borrowings	9,021,223	8,978,355

16 Financial Instruments

Financial instruments means financial assets and financial liabilities. The Company holds following financial instruments:

Financial assets

Financial assets as at amortized cost		
- Financial assets at amortized cost	6,910,797	6,907,130
	6,910,797	6,907,130

Financial liabilities

Financial liabilities recognized as at amortized cost		
- Borrowings	9,021,223	8,978,355
- Trade and other payables	27,204	24,841
	9,048,427	9,003,196

17.1 Fair Values of Financial Instruments

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

The Company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique :

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Level 1 : The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in level 1.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There were no transfers between different categories for recurring fair value measurements during the year.

18 Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments.

Credit Risk
Liquidity Risk
Market Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

18.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL) and deposits with banks and financial institutions, as well as credit exposures customers.

a. Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management also considers the demographics of the customer base including the default risk of the industry and country in which customer operates. Credit policy and benchmark creditworthiness established by the management is reviewed at frequent intervals.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets.

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The Company establishes an allowance for impairment at each reporting date that represents its estimate of incurred losses in respect of trade receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for Company of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The Company applies the IFRS 9 simplified approach to measuring 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. The expected loss rates are based on the payment profiles of sales over a period of 36 month before March 31, 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 360 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

b. Other Financial Assets and Cash and Cash Equivalents

With respect to credit risk arising from the other financial assets of the Company, which comprise bank balances and cash, other receivables and deposits, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets. These are considered to have low credit risk. No loss allowance is necessary considering 12 month expected loss.

Credit risk from balances with banks and financial institutions is low since the bank current accounts and bank margins are placed with high credit quality financial institutions and considering the profile of them, the management does not expect any counterparty to fail in meeting its obligations.

18.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Company has a commitment from its shareholders of a continuous support in terms of cash flow management.

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The table below summarises the maturity profile of the Company's financial liabilities based on contractual maturity dates:

Year Ended: March 31, 2022	Contractual Cash Flows	12 Months or Less	Above 12 Months
Non-derivative financial liabilities			
- Borrowings	9,021,223	0	9,021,223
- Trade and other payables	27,204	27,204	0
Derivative financial liabilities	0	0	0
Total financial liabilities	**9,048,427**	**27,204**	**9,021,223**

Year Ended: March 31, 2021	Contractual Cash Flows	12 Months or Less	Above 12 Months
Non-derivative financial liabilities			
- Borrowings	8,978,355	0	8,978,355
- Trade and other payables	24,841	24,841	0
Derivative financial liabilities	0	0	0
Total financial liabilities	**9,003,196**	**24,841**	**8,978,355**

At present, the Company expects to pay all liabilities at their contractual maturity. In order to meet such cash commitments, the Company expects the operating activity to generate sufficient cash inflows. In addition, the Company holds financial assets for which there is a liquid market and that are readily available to meet liquidity needs.

18.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

a. Exposure to Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Borrowings and due from related parties are unsecured, interest free and its repayments are not stipulated.

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b. Exposure to Exchange Rate Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's significant monetary assets and liabilities denominated in foreign currencies are in USD. As the AED is currently pegged to the USD, balances in USD are not considered to represent significant currency risk.

18.4 Capital Management

Capital includes equity attributable to the shareholder of the Company. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Company's capital management strategy is to ensure that it maintains a healthy capital gearing ratio in order to support its business and maximise shareholder value.

19 Significant Events Occurring After the Date of Statement of Financial Position

There were no significant events occurring after the financial position date which require disclosure in the financial statements.

20 Comparative Figures

Previous year's figures are regrouped and reclassified wherever necessary so as to conform to the current year's presentation.

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