

**EMAMI INTERNATIONAL FZE**

**P. O. Box 42685, Hamriyah Free Zone-Sharjah,  
United Arab Emirates**

**Financial Statements and Auditor's Report  
For the Year Ended March 31, 2025**

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#### Director's Report to the Shareholder

The director submits his report and audited financial statements for the year ended March 31, 2025.

#### Results

The net profit for the year amounted to AED 7,922,477 as compared to net profit of AED 19,261,339 in the previous year.

#### Review of the business

The Company is engaged in import, export and trading in perfumes & cosmetics, raw material and packaging material, health products & food (subject to ministry of health approval).

During the year, revenue decreased by 26.49% to AED 67,700,440 as compared to AED 92,093,140 in the previous year.

Gross profit margin for the current year is 47.75% as compared to 50.09% in the previous year.

#### Auditors

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



Mr. Amitabh Goenka  
Director

Date : May 5, 2025



**Independent Auditor's Report to the Shareholder of**

**EMAMI INTERNATIONAL FZE**

P. O. Box 42685, Hamriyah Free Zone-Sharjah, United Arab Emirates

**Report on the audit of the financial statements**

We have audited the financial statements of **Emami International FZE** ("the Company"), which comprise the statement of financial position as at March 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements, including 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, 2025, and its financial performance and its cash flows for the year then 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 matter**

Without qualifying our report, we draw attention to note 5.3(iii) to these financial statements, the consolidated financial statements prepared by the ultimate parent company Emami Limited, India 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, Implementing Rules and Regulations issued by the Hamriyah Free Zone Authority pursuant to Sharjah 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...)*





## **Independent auditor's report on Emami International FZE (continued...)**

### **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

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...)*



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

**Report on other legal and regulatory requirement**

Further, as required by the Implementing Rules and Regulations issued by the Hamriyah Free Zone Authority pursuant to Sharjah 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 applicable provisions of Hamriyah Free Zone Authority pursuant to Sharjah Emiri Decree No. 6 of 1995.
- iii. the Company has maintained proper books of accounts, and records of the Company are in agreement with it;
- 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 27 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, 2025 any of the applicable provisions of the Implementing Rules and Regulations issued by the Hamriyah Free Zone Authority pursuant to Sharjah 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, 2025.

  
Ms. Kinnari Doshi  
Partner  
N R Doshi and Partners Public Accountant LLC  
Registration No. 840  
Dubai, United Arab Emirates

Date : May 5, 2025



**EMAMI INTERNATIONAL FZE**

P. O. Box 42685, Hamriyah Free Zone-Sharjah, United Arab Emirates

**Statement of Profit or Loss and Other Comprehensive Income**

For the Year Ended March 31, 2025	Notes	01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024
All figures are expressed in U.A.E. Dirhams			
<b><u>Continuing operations</u></b>			
Revenue	6	67,700,440	92,093,140
Cost of sales	7	(35,375,444)	(45,965,119)
<b>Gross profit</b>		<b>32,324,996</b>	<b>46,128,021</b>
Other income	8	185,235	363,795
Distribution cost	9	(12,608,345)	(17,674,526)
Other administrative expenses	10	(10,952,468)	(7,930,696)
<b>Operating profit</b>		<b>8,949,418</b>	<b>20,886,594</b>
Finance cost	11	(1,099,231)	(1,768,258)
Finance income		72,290	143,003
<b>Profit before income tax</b>		<b>7,922,477</b>	<b>19,261,339</b>
Income tax expenses	12	0	0
<b>Profit from continuing operations</b>		<b>7,922,477</b>	<b>19,261,339</b>
<b><u>Discontinued operations</u></b>			
Profit for the year from discontinued operations		0	0
<b>Profit for the year</b>		<b>7,922,477</b>	<b>19,261,339</b>
<b>Attributable to :</b>			
Shareholder of the Company		7,922,477	19,261,339
Non-controlling interest		0	0
<b>Profit for the year</b>		<b>7,922,477</b>	<b>19,261,339</b>
<b><u>Other comprehensive income</u></b>			
- Items that will not be reclassified subsequent to profit or loss			
Changes in the fair value of financial assets at FVOCI		0	(990,886)
Remeasurements of post-employee benefit obligations		675,968	141,363
- Items that may be reclassified subsequent to profit or loss		0	0
<b>Total Comprehensive income for the year</b>		<b>8,598,445</b>	<b>18,411,816</b>
<b>Attributable to:</b>			
Shareholder of the Company		8,598,445	18,411,816
Non-controlling interest		0	0
<b>Total Comprehensive income for the year</b>		<b>8,598,445</b>	<b>18,411,816</b>

These financial statements on pages 5 to 33 were authorised for issue on May 5, 2025 by the director and signed by:

*Amitabh Goenka*  
**Mr. Amitabh Goenka**  
 Director

The accompanying notes 1 to 30 form an integral part of these financial statements.





**EMAMI INTERNATIONAL FZE**

P. O. Box 42685, Hamriyah Free Zone-Sharjah, United Arab Emirates

**Statement of financial position****As at March 31, 2025**

All figures are expressed in U.A.E. Dirhams

**Notes****31.03.2025****31.03.2024****ASSETS****Non-Current Assets**

Property, plant and equipment	13	367,475	192,222
Intangible assets	14	108,622	141,626
Investment properties	15	2,150,269	4,413,399
Investments in subsidiaries	16	19,347,754	10,227,520
Other financial assets at amortised cost	17	2,844,717	10,714,887
<b>Total non-current assets</b>		<b>24,818,837</b>	<b>25,689,654</b>

**Current Assets**

Inventories	18	1,658,541	2,641,883
Trade receivables	19	22,118,629	32,953,599
Cash and bank balances	20	3,037,684	1,397,324
Other financial assets at amortised cost	17	198,996	85,732
Other assets	21	4,757,429	3,446,050
<b>Total current assets</b>		<b>31,771,279</b>	<b>40,524,588</b>

**Total assets****56,590,116      66,214,242****LIABILITIES****Non-Current Liabilities**

Employee end of service benefits		161,330	776,326
<b>Total non-current liabilities</b>		<b>161,330</b>	<b>776,326</b>

**Current Liabilities**

Borrowings	22	11,979,807	17,550,322
Trade and other payables	23	26,715,529	38,869,963
Other liabilities	24	775,789	658,415
<b>Total current liabilities</b>		<b>39,471,125</b>	<b>57,078,700</b>

**Total liabilities****39,632,455      57,855,026****Net Assets****16,957,661      8,359,216**

(Continued on next page...)





**EMAMI INTERNATIONAL FZE**

P. O. Box 42685, Hamriyah Free Zone-Sharjah, United Arab Emirates

**Statement of Financial Position (Continued...)**

As at March 31, 2025	Notes	31.03.2025	31.03.2024
All figures are expressed in U.A.E. Dirhams			
<b>EQUITY</b>			
Share capital	1.1	150,000	150,000
Retained earnings	25	18,505,001	10,582,524
Other equity		(1,697,340)	(2,373,308)
<b>Total equity</b>		<b>16,957,661</b>	<b>8,359,216</b>

These financial statements on pages 5 to 33 were authorised for issue on May 5, 2025 by the director and signed by:



Mr. Amitabh Goenka  
Director



The accompanying notes 1 to 30 form an integral part of these financial statements.



# EMAMI INTERNATIONAL FZE

P. O. Box 42685, Hamriyah Free Zone-Sharjah, United Arab Emirates

## Statement of Changes in Equity

For the Year Ended March 31, 2025

All figures are expressed in U.A.E. Dirhams

	Share Capital	Retained Earnings	Fair Value Reserve	Remeasurement of employee benefits end of service	Total
Balance as at April 1, 2023	150,000	(8,678,815)	(1,262,831)	(260,954)	(10,052,600)
Loss for the period	0	19,261,339	0	0	19,261,339
Other comprehensive income	0	0	(990,886)	141,363	(849,523)
Total comprehensive income for the period	0	19,261,339	(990,886)	141,363	18,411,816
Transaction with shareholder recorded directly in equity	0	0	0	0	0
Balance as at March 31, 2024	150,000	10,582,524	(2,253,717)	(119,591)	8,359,216
Profit for the period	0	7,922,477	0	0	7,922,477
Other comprehensive income	0	0	0	675,968	675,968
Total comprehensive income for the year	0	7,922,477	0	675,968	8,598,445
Transaction with shareholder recorded directly in equity	0	0	0	0	0
Balance as at March 31, 2025	150,000	18,505,001	(2,253,717)	556,377	16,957,661

The accompanying notes 1 to 30 form an integral part of these financial statements.



**EMAMI INTERNATIONAL FZE**

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**Statement of Cash Flows**

For the Year Ended March 31, 2025

Notes

01.04.2024 to  
31.03.202501.04.2023  
to 31.03.2024

All figures are expressed in U.A.E. Dirhams

**I. Cash flow from operating activities**

Net profit for the year	7,922,477	19,261,339
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**Adjustments for:**

Depreciation and amortisation	204,899	383,333
Finance income	(72,290)	(143,003)
Finance expense	1,099,231	1,768,258
Profit on sale of investment properties	(4,819)	(145,594)
Provision for employee end of service benefits	123,778	130,435
Unrealised foreign exchange gain	0	(21,617)

**Cash flow from operations before working capital changes**

Changes in inventories	983,342	(295,183)
Changes in trade receivables	10,834,970	(1,163,479)
Changes in financial asset at amortised cost	7,756,906	(33,205)
Changes in other assets	(1,311,379)	2,745,491
Changes in trade and other payables	(12,154,434)	(15,988,915)
Changes in other current liabilities	117,374	(199,121)
Payment of employee end of service benefits	(62,806)	(34,574)
<b>Cash generated from operations</b>	<b>15,437,249</b>	<b>6,264,165</b>

Finance expense	(1,099,231)	(1,768,258)
<b>Net cash flow from operating activities</b>	<b>14,338,018</b>	<b>4,495,907</b>

**II. Cash flow from investing activities**

Finance income	72,290	143,003
Purchase of property, plant and equipment	(279,199)	(80,241)
Additional in capital work in progress	0	(72,591)
Proceeds from sale of property, plant and equipment	2,200,000	3,735,381
Investment in subsidiaries	(9,120,234)	0
<b>Net cash flow from investing activities</b>	<b>(7,127,143)</b>	<b>3,725,552</b>

**III. Cash flow from financing activities**

Change in borrowings	0	0
<b>Net cash used in financing activities</b>	<b>0</b>	<b>0</b>

<b>Increase in cash and cash equivalents</b>	<b>( I + II + III )</b>	<b>7,210,875</b>	<b>8,221,459</b>
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Cash and cash equivalents as at beginning of the year	(Note 5.14, 26)	(16,152,998)	(24,374,457)
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Cash and cash equivalents as at end of the year	(Note 5.14, 26)	<b>(8,942,123)</b>	<b>(16,152,998)</b>
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Non-cash financing and investing activities		<b>Nil</b>	<b>Nil</b>
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The accompanying notes 1 to 30 form an integral part of these financial statements.



## EMAMI INTERNATIONAL FZE

P. O. Box 42685, Hamriyah Free Zone-Sharjah, United Arab Emirates

### Notes to the Financial Statements

For the Year Ended March 31, 2025

All figures are expressed in U.A.E. Dirhams

#### 1 Legal Status, Business Activities and Management

##### 1.1 Legal Status

EMAMI INTERNATIONAL 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. 1429 dated November 12, 2005.

The registered office address of the Company is Office No. 20G-07, P.O. Box 42685, Hamriyah Free Zone-Sharjah, U.A.E.

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

Name of the Shareholder	Number of Share	Value
M/s Emami Limited, India	1	150,000

The Share Capital of the Company is AED 150,000 divided into 1 share of AED.150,000 each.

The Company is also operating through its branch located at FZJOB1625, Jebel Ali Freezone, Dubai, U.A.E.

Name of Branch	Trade Licence No.	Trade Licence Date
EMAMI INTERNATIONAL	90250248	April 4, 2024

##### 1.2 Business Activities

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

##### 1.3 Management

The Company is managed by Mr. Amitabh Goenka, director of the Company.

#### 2 Basis of Preparation

##### 2.1 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).





**EMAMI INTERNATIONAL FZE**  
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**Notes to the Financial Statements**

**2.2 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.

**2.3 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.

**3 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:

**3.1 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.

**3.2 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.

In determining the impact of variable consideration the Company uses the "most-likely amount" method in IFRS 15 whereby the transaction price is determined by reference to the single most likely amount in the range of possible consideration amounts.

**3.3 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.

In the case of contracts to sell goods, the control passes when risks and rewards of goods is passed on to customer.



## **EMAMI INTERNATIONAL FZE**

P. O. Box 42685, Hamriyah Free Zone-Sharjah, United Arab Emirates

### **Notes to the Financial Statements**

#### **3.4 Investment Properties**

The Company has elected to adopt the cost model for investment properties. Accordingly, investment properties are carried at cost less accumulated depreciation and any accumulated impairment losses. The Company determines whether a property qualifies as investment property in accordance with IAS 40 Investment Property. In making its judgment, the Company considers whether the property generates cash flows largely independently of the other assets held by the Company.

#### **3.5 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. Most 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.

#### **3.6 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.

#### **3.7 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.

#### **3.8 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.

#### **3.9 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.

#### **4.1 New Standards, Interpretations and Amendments to Existing**

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing from April 1, 2024. 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:





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**Notes to the Financial Statements**

IAS / IFRS	Brief Description
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants
Amendments to IFRS 16	Lease Liability in Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

**4.2 Standards and Interpretations Issued but not yet Effective**

Certain new accounting standards and interpretations have been published that are not mandatory for March 31, 2025 reporting period and have not been early adopted by the Company.

IAS / IFRS	Effective Date (Annual reporting period commencing from)	Brief Description
Amendments to IAS 21	January 1, 2025	Lack of Exchangeability
Amendments to IFRS 9 and IFRS 7	January 1, 2026	Classification and Measurement of Financial Instruments
IFRS 19	January 1, 2027	Subsidiaries without Public Accountability: Disclosures
IFRS 18	January 1, 2027	Presentation and Disclosure in Financial Statements

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

**5 Summary of Significant Accounting**

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

**5.1 Foreign Currency**

**5.1.1 Transactions and Balances**

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).

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.



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**Notes to the Financial Statements**

**5.2 Revenue Recognition**

**5.2.1 Revenue from Contracts with Customers**

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

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

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

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

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

**Step 5** - 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.

**5.3 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.
- 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.





## **EMAMI INTERNATIONAL FZE**

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### **Notes to the Financial Statements**

- iii. These financial statements are standalone financial statements of Emami International FZE only and do not include results and assets and liabilities of its subsidiary companies. The management of the Company has decided to exclude consolidation of the subsidiary companies in these financial statements because, the ultimate parent Company Emami Limited presents the consolidated financial statements that comply with Ind AS.

#### **5.4 Financial Assets**

##### **Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

##### **Classification and subsequent measurement**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as fairvalue through profit or loss (FVTPL):

- i. It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii. It's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

##### **Derecognition**

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.

All financial assets are recognised and derecognised on trade date and when the purchase and sale of financial asset is made under a contract whose terms require delivery of financial asset within the timeframe established by the market concern.

#### **5.5 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.



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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.

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.

#### **5.6 Leases**

##### **5.6.1 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.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Company as lessee were classified as operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

##### **5.6.2 Company as a Lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.





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### **Notes to the Financial Statements**

#### **5.7 Property, Plant and Equipment**

##### **5.7.1 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.

##### **5.7.2 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.

##### **5.7.3 Depreciation**

Depreciation on property, plant and equipment has been computed on straight-line method at the annual rates estimated to write off the cost of the assets over their expected useful lives as under:

Furniture and Fixtures	6.33%	15.79 years
Office Equipment	4.75%, 16.21% and 6.33%	21.05, 6.17 and 15.79 years
Vehicles	9.50%	10.53 years
Plant & Machinery	6.67%	15 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### **5.8 Investment Properties**

An Investment property is property held either to earn rental income or for capital appreciation (including property under construction for such purposes). Investment property is measured initially at cost, including transaction costs. Transfer of investment property from property, plant and equipment is measured initially at carrying amount. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation.

Investment properties are depreciated using straight line method @ 1.67% p.a. on the original cost.

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.



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### **Notes to the Financial Statements**

An Investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

#### **5.9 Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Amortisation is charged on a straight-line basis over the estimated useful lives for period of 10 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

#### **5.10 Inventories**

Inventories are stated at the lower of cost or net realized value, cost being determined using the weighted moving average method, except for materials in-transit, which are stated at actual cost determined using the specific identification method. 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.

#### **5.11 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.



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### **Notes to the Financial Statements**

#### **5.12 Impairment of Non-Financial Assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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.

#### **5.13 Impairment of Financial Assets**

The Company recognises loss allowances for Expected Credit Losses (ECLs) on:

##### **i. Trade receivables**

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

##### **ii. Other financial assets measured at amortised cost**

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

##### **Measurement of ECL :**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

#### **5.14 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.

#### **5.15 Finance Income**

Finance income comprises interest income on funds invested which is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Interest income is recognised as it accrues in profit or loss on the date that the Company's right to receive payment is established.



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Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

#### **5.16 Finance Cost**

Finance cost includes interest expense calculated using the effective interest rate method as described in IFRS 9, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

#### **5.17 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.

#### **5.18 Income Tax**

##### **5.18.1 Current Income Tax**

In accordance with Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("the Law"), the Company is subject to a corporate tax rate of 9% on taxable income exceeding AED 375,000, while a 0% rate applies to taxable income below AED 375,000 and all the qualifying income earned by Qualifying Free Zone Persons. Current income tax assets and liabilities are measured based on the amounts expected to be recovered from or paid to the tax authorities. The applicable tax rates and the provisions of the Law are considered enacted or substantively enacted at the reporting date. Current income tax is recognised in the Statement of Profit or Loss and Other Comprehensive Income. Current income tax related to items, which are recognised directly in equity, is recorded in equity, rather than in the Statement of Profit or Loss and Other Comprehensive Income. The management of the Company has determined that all the income earned by the Company is qualifying income, and therefore, The Company is a Qualifying Free Zone Person eligible for a 0% tax rate on its qualifying income. The Company's management periodically assesses positions taken in tax returns where tax regulations may be subject to interpretation, and recognises provisions for uncertain tax positions as deemed appropriate.

##### **5.18.2 Deferred Tax**

Deferred tax is recognised using the liability method for temporary differences between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognised for all taxable temporary differences, except in cases such as the initial recognition of goodwill or certain assets and liabilities in transactions not involving business combinations, or where temporary differences related to investments in subsidiaries, associates, and joint ventures are unlikely to reverse in the foreseeable future. Deferred tax assets are recognised for deductible temporary differences, unused tax credits, and tax losses, to the extent it is probable that taxable profit will be available to utilise them. Deferred tax assets and liabilities are measured at the tax rates expected to apply when the asset is realised or the liability settled, based on laws enacted or substantively enacted at the reporting date. Deferred tax items are recognised outside profit or loss if related to items recognised outside profit or loss, and deferred tax assets and liabilities are offset when there is a legally enforceable right to offset.





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**Notes to the Financial Statements**

**5.19 End-of-service Benefits**

The Company provides end-of-service benefits to its employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

**5.20 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.)

<b>6 Revenue</b>	<b>31.03.2025</b>	<b>31.03.2024</b>
Revenue from contract with customers	67,700,440	92,093,140
	<u>67,700,440</u>	<u>92,093,140</u>

**Notes:**

- The above revenue is recognised at a point in time.
- Revenue comes from sale of perfumes, cosmetics and beauty care products, etc (subject to ministry of health approval) sold to the customers in KSA, Iraq, Kenya, Egypt, Uganda, Pakistan and other countries.

**7 Cost of Revenue**

Opening inventory	2,641,883	2,346,700
Purchase and direct expenses	34,392,102	46,260,302
Closing inventory	(1,658,541)	(2,641,883)
	<u>35,375,444</u>	<u>45,965,119</u>

**8 Other Income**

Rental income from investment property	180,343	199,994
Profit on sale of property, plant and equipment	0	145,594
Profit on sale of investment properties	4,819	0
Other miscellaneous income	73	18,207
	<u>185,235</u>	<u>363,795</u>

**9 Distribution Cost**

Advertisement expense	12,154,278	17,423,137
Distributor sales representative expenses	179,124	172,752
Other distribution expenses	274,943	78,637
	<u>12,608,345</u>	<u>17,674,526</u>



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**Notes to the Financial Statements**

	31.03.2025	31.03.2024
<b>10 Other Administrative Expenses</b>		
Rent expenses	411,788	115,440
Payroll and related expenses	6,246,667	3,538,356
Depreciation and amortisation	204,899	383,333
Forex loss / (gain)	6,374	32,095
Foreign travelling	847,598	443,084
Bank charges	191,254	174,727
Legal and professional charges	1,076,014	696,869
Rates and taxes	309,712	467,325
Commission	440,459	500,030
Telephone charges	17,673	17,027
Auditors remuneration	71,171	38,004
Research and development	157,423	167,462
Conveyance expenses	15,629	3,650
Recruitment expenses	182,136	101,104
Insurance expenses	34,128	44,778
Maintenance & service charges	116,200	120,600
Miscellaneous expenses	245,483	345,521
Royalty	377,860	741,291
	<u>10,952,468</u>	<u>7,930,696</u>
<b>11 Finance Cost</b>		
Interest paid to related party	251,473	0
Interest paid to bank	847,758	1,768,258
	<u>1,099,231</u>	<u>1,768,258</u>
<b>12 Income Tax Expense</b>		
Current income tax expense	0	0
Deferred tax assets arising from tax losses	0	0
Income tax expense recognised in statement of profit or loss	<u>0</u>	<u>0</u>
<b>12.1 Tax Reconciliation:</b>		
Accounting profit before tax	8,598,445	0
Amount on which 0% tax rate applicable	(8,598,445)	0
Net taxable profit @ 9%	<u>0</u>	<u>0</u>





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### Notes to the Financial Statements

#### 13 Property, Plant and Equipment

	Furniture and Fixtures	Plant & Machinery	Office Equipment	Vehicles	Total
Rate of depreciation	6.33%	6.67%	4.75%, 16.21% and 6.33%	9.50%	
<b>Cost</b>					
As at April 1, 2023	67,468	1,663,451	419,369	344,116	2,494,404
Additions	0	48,031	32,210	0	80,241
Transferred from Capital work in progress	0	1,209,030	0	0	1,209,030
Disposal	(1,246)	(2,920,512)	(114,025)	0	(3,035,783)
As at March 31, 2024	66,222	0	337,554	344,116	747,892
Additions	93,306	145,417	40,476	0	279,199
As at March 31, 2025	159,528	145,417	378,030	344,116	1,027,091
<b>Depreciation</b>					
As at April 1, 2023	12,829	53,513	279,464	275,005	620,811
For the year	2,111	156,723	81,388	19,271	259,493
On disposal	(1,246)	(210,236)	(113,152)	0	(324,634)
As at March 31, 2024	13,694	0	247,700	294,276	555,670
For the year	8,317	58,948	17,410	19,271	103,946
As at March 31, 2025	22,011	58,948	265,110	313,547	659,616
<b>Net Value</b>					
As at March 31, 2025	137,517	86,469	112,920	30,569	367,475
As at March 31, 2024	52,528	0	89,854	49,840	192,222

Note: Plant and machineries are located at the factory of Helios Perfumes and Cosmetics LLC, a supplier of company.

#### 14 Intangible Assets

	31.03.2025	31.03.2024
<b>Cost</b>		
As at April 1, 2024	271,367	271,367
Additions	0	0
As at March 31, 2025	271,367	271,367
<b>Accumulated amortisation</b>		
As at April 1, 2024	129,741	96,737
for the year	33,004	33,004
As at March 31, 2025	162,745	129,741
<b>Net Value</b>		
As at March 31, 2025	108,622	141,626

Note: This represents amount paid for acquisition of cosmetic brands.



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**Notes to the Financial Statements**

15 Investment Properties	31.03.2025	31.03.2024
Cost as on April 1, 2024	5,443,467	5,443,467
Less: disposal	(2,735,602)	0
Less : accumulated depreciation	(557,596)	(1,030,068)
Balance as at March 31, 2025	<u>2,150,269</u>	<u>4,413,399</u>

The movement in accumulated depreciation are as follows:

As at April 1, 2024	1,030,068	939,232
For the year	67,949	90,836
On Disposal	(540,421)	0
As at March 31, 2025	<u>557,596</u>	<u>1,030,068</u>

**15.1 Details of Company's Investment Properties**

Property Number : 1905 in Regal Tower

**15.2** Given below is the disclosure requirement as prescribed under International Accounting Standard (IAS) - 40 applicable to Investment Property.

a. The Company has adopted the cost model as prescribed under the International Accounting Standard - 40 for Investment Property.

b. Depreciation on investment property has been computed on straight-line method at the annual rate of 1.67% estimated to write off the cost of the assets over their expected useful lives.

**15.3** All the above property are held under freehold interest.**15.4** The above residential property at Regal tower, Dubai has been rented out during the year and a rental income of AED 180,343 has been accounted during the year.**15.5** The investment property has been valued by an external independent valuer who has issued valuation report dated September 31, 2024.**15.6** Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The valuation is carried out based on Sales comparison method of valuation. This methodology is implemented by comparing this property to a similar properties.	Market Value- AED 1600 per Sq.ft	The estimated fair value would increase (decrease) if: • Occupancy rates were higher (lower) • expected market rental growth were higher (lower);



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**Notes to the Financial Statements**

16 Investment in Subsidiaries	31.03.2025	31.03.2024
Investments in Subsidiaries	19,347,754	10,227,520
Emami Overseas FZE (note 16.1)	0	0
Fravin Pty Ltd (note 16.2)	0	0
Limited Liability Company "Emami RUS"	9,809,216	9,809,216
Crème 21 GmbH	118,304	118,304
Emami International Personal Care L.L.C.	300,000	300,000
Emami Neo Harbal Pvt. Ltd	80,364	0
	10,307,884	10,227,520

**Investment – Assigned Capital**

Emami Overseas FZE (refer note)	9,039,870	0
	9,039,870	0

**Note:** As decided by the Board of directors of the company, the above amount invested in the subsidiary company has been determined to be of permanent nature and therefore is no longer due from subsidiary company. Therefore, the same has been treated as investment in subsidiary in these financial statements.

**16.1 Emami Overseas FZE**

Cost	25,000	25,000
Less: Impairment	(25,000)	(25,000)
Net Value	0	0

**16.2 Fravin Pty Ltd**

Cost	9,970,139	9,970,139
Less: Impairment	(9,970,139)	(9,970,139)
Net Value	0	0

**16.3 Details of Subsidiary :**

Name of the Subsidiary Company	Incorporated in and Principle Place of Business	Effective Ownership	Principal Activities
Emami Overseas FZE	United Arab Emirates	100.00%	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).
Limited Liability Company "Emami RUS"	Russia	99.99%	Wholesale, distribution of food products, cosmetic and perfumery goods with exception of soap.
Crème 21 GmbH	Germany	100.00%	Trading of cosmetics and body care products.





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Emami International Personal Care L.L.C.	United Arab Emirates	100.00%	Trading of perfumes and cosmetics, beauty and personal care requisites, baby care requisites, soap & hair care products.
Emami Neo Herbal Pvt. Ltd	Bangladesh	99.99%	Trading of perfumes and cosmetics, beauty and personal care requisites, baby care requisites, soap & hair care products.
<b>Step Down Subsidiary of Emami Overseas FZE</b>			
Pharmaderm Company S. A. E	Egypt	90.6%	Manufacturing of tools & disinfectants, Cosmetics & Alkimoatz.

- 16.4 These financial statements are standalone financial statements of Emami International FZE, UAE only and does not include results, assets and liabilities of its subsidiary companies. The consolidated financial statements can be obtained from Emami Limited at Emami Tower IMD - 5th Floor, 687, Anandapur, E.M.Bypass, Kolkata-700107, West Bengal, India which is the ultimate parent company which prepares consolidated financial statements as per Ind AS.

- 16.5 Investments in subsidiaries in these financial statements are recognised at cost.

**17 Other Financial Assets at Amortised Cost** **31.03.2025**      **31.03.2024**

**Long term**

Loan to Emami Overseas FZE (note 17.1)	0	9,121,889
Loan to Emami Indo Lanka (Pvt.) Ltd. (refer note 17.2)	2,716,080	1,250,037
Deposits	128,637	342,961
	<u>2,844,717</u>	<u>10,714,887</u>

**Short term**

Advances	198,996	85,732
	<u>198,996</u>	<u>85,732</u>

- 17.1 The loan to Emami Overseas FZE were unsecured, interest free and its receivable terms were not stipulated.

- 17.2 The loan to Emami Indo Lanka (Pvt.) Ltd. are unsecured, interest bearing 3.5% p.a. for loan given of AED 366,700 and 5% p.a. for loan given of AED 2,200,200.

**18 Inventories**

Goods in trade	1,658,541	2,641,883
	<u>1,658,541</u>	<u>2,641,883</u>

- 18.1 Inventories recognised as an expense during the year ended March 31, 2025 amounted to AED 35,375,444 (Previous Year AED 45,965,119). These were included in the cost of revenue.



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**Notes to the Financial Statements**

<b>19</b>	<b>Trade Receivables</b>	<b>31.03.2025</b>	<b>31.03.2024</b>
	Trade receivables	22,185,177	33,020,147
	Less allowance (also refer note below, note 5.11 and note 29.1)	(66,548)	(66,548)
		<u>22,118,629</u>	<u>32,953,599</u>
<b>Note:</b> The closing loss allowances for trade receivables as at March 31, 2025 reconcile to the opening loss allowances as follows:			
	Balance as at beginning of the year	66,548	66,548
	Reversal of loss allowance recognised in profit or loss during the year	0	0
	Balance as at end of the year	<u>66,548</u>	<u>66,548</u>
<b>20</b>	<b>Cash and Bank Balances</b>		
	Cash in hand	12,595	10,837
	Cash in Transit	477,921	0
	Balance with bank in current account	2,547,168	1,386,487
		<u>3,037,684</u>	<u>1,397,324</u>
<b>21</b>	<b>Other Assets</b>		
	Prepayments	71,266	53,489
	Advance to suppliers	2,717,651	1,602,530
	VAT receivable	1,968,512	1,790,031
		<u>4,757,429</u>	<u>3,446,050</u>
<b>22</b>	<b>Borrowings</b>		
	Bank overdraft (note 22.1)	11,979,807	17,550,322
		<u>11,979,807</u>	<u>17,550,322</u>
<b>22.1</b>	Above bank overdraft is secured by a valid Standby Letter of Credit issued by Citibank, India in favour of Citibank, Dubai.		
<b>23</b>	<b>Trade and Other Payables</b>		
	Trade creditors	24,986,059	35,860,338
	Employee benefits	1,480,864	1,152,022
	Accruals	244,856	667,973
	Security deposit	3,750	0
	Other payable to Emami International Personal Care L.L.C. ( note 23.1)	0	1,189,630
		<u>26,715,529</u>	<u>38,869,963</u>
<b>23.1</b>	The other payable to Emami International Personal Care L.L.C. were unsecured, interest free and was repayable on demand.		
<b>24</b>	<b>Other Liabilities</b>		
	Advance from customers	<u>775,789</u>	<u>658,415</u>



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<b>25 Retained Earnings</b>	<b>31.03.2025</b>	<b>31.03.2024</b>
Balance at the beginning of the year	10,582,524	(8,678,815)
Net profit for the year	7,922,477	19,261,339
Balance at the end of the year	<u>18,505,001</u>	<u>10,582,524</u>
<b>26 Cash and Cash Equivalents</b>		
Cash in hand	12,595	10,837
Cash in Transit	477,921	0
Balance with bank in current account	2,547,168	1,386,487
Bank overdraft	<u>(11,979,807)</u>	<u>(17,550,322)</u>
	<u>(8,942,123)</u>	<u>(16,152,998)</u>
<b>27 Related Party and Transactions with Related Parties</b>		
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 Company 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		
<b>27.1 Related Party Transactions</b>		
During the year, the following are the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:		
<b>A Directors and key managerial personnel</b>		
Salary	1,439,952	588,000
Rent	<u>0</u>	<u>60,000</u>
<b>B With related parties</b>		
<b>a. Parent company</b>		
Purchases	21,656,732	24,032,950
Royalty expenses	377,860	741,291
Guarantee commission	<u>273,515</u>	<u>366,700</u>
<b>b. Subsidiary companies</b>		
Sales	5,560,372	12,549,862
Purchases	176,220	0
Sales of investment property	2,200,000	3,714,751
Finance cost	<u>251,473</u>	<u>0</u>
<b>c. Other related parties</b>		
Sales	602,077	259,240
Interest on loan receivable	<u>72,290</u>	<u>53,025</u>





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**Notes to the Financial Statements**

27.2	Related Party Balances	31.03.2025	31.03.2024
	Significant related party balances are as follows:		
	<b>a. Parent company</b>		
	Trade creditors	17,721,862	20,615,956
	<b>b. Subsidiary companies</b>		
	Trade receivables	9,141,938	11,009,710
	Loan to Emami Overseas FZE	0	9,121,889
	Investment	9,039,870	0
	Other payable to Emami International Personal Care L.L.C.	0	1,189,630
	<b>c. Other related parties</b>		
	Trade receivables	199,096	172,884
	Trade creditors	10,252	0
	Loan to Emami Lanka (Pvt). Ltd.	2,716,080	1,250,037

**28.1 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 :

**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.

**29 Financial Risk Management**

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

Credit Risk  
Liquidity Risk  
Market Risk



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### Notes to the Financial Statements

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.

#### 29.1 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.

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, 2025 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.

As at March 31, 2025, top five customer represents 74.74% of the total value of trade debtors outstanding (As at March 31, 2024: 75.70%).



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**Notes to the Financial Statements**

Country-wise breakup of customers in %:

Country	As at 31.03.2025	As at 31.03.2024
KSA	3.0%	4.90%
EGYPT	3.6%	17.20%
UAE	6.3%	0.00%
RUSSIA	46.2%	36.70%
KUWAIT	0.0%	0.00%
IRAQ	1.0%	7.30%
OMAN	0.0%	0.00%
KENYA	15.8%	12.10%
UGANDA	9.1%	9.70%
BAHRAIN	0.0%	0.30%
Other African Countries	0.0%	5.10%
Other GCC Countries	0.0%	0.30%
Others	15.0%	6.40%
<b>Total</b>	<b>100.0%</b>	<b>100.00%</b>

**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.

**29.2 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 shareholder 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:

<b>Period Ended: March 31, 2025</b>	<b>Contractual Cash Flows</b>	<b>12 Months or Less</b>	<b>Above 12 Months</b>
<b>Non-derivative financial liabilities</b>			
- Employee end of service benefits	161,330	0	161,330
- Borrowings	11,979,807	11,979,807	0
- Trade and other payables	26,715,529	26,715,529	0
<b>Derivative financial liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total financial liabilities</b>	<b>38,856,666</b>	<b>38,695,336</b>	<b>161,330</b>
<b>Year Ended: March 31, 2024</b>	<b>Contractual Cash Flows</b>	<b>12 Months or Less</b>	<b>Above 12 Months</b>
<b>Non-derivative financial liabilities</b>			
- Employee end of service benefits	776,326	0	776,326
- Borrowings	17,550,322	17,550,322	0
- Trade and other payables	38,869,963	38,869,963	0
<b>Derivative financial liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total financial liabilities</b>	<b>57,196,611</b>	<b>56,420,285</b>	<b>776,326</b>

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.

**29.3 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.

Interest on bank borrowings is payable at SOFR + 1% p.a.

The loan to Emami Indo Lanka (Pvt.) Ltd. is bearing interest at 3.5% p.a. for loan given of AED 366,700 and 5% p.a. for loan given of AED 2,200,200.



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**Notes to the Financial Statements**

**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 exposure to foreign currency risk at the end of the reporting period, expressed in U.A.E. Dirhams, was as follows:

Amount (IN AED)			
Foreign Currency Asset	Currency	31.03.2025	31.03.2024
Bank Balance	Euro	249,714	69,670

**29.4 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.

**30 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.

