

**EMAMI INTERNATIONAL PERSONAL
CARE L.L.C**

**P. O. Box No. 418059, Office No-404, Bay
Square, Building No-13, Business Bay, Dubai,
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 1,969,211 as compared to net loss of AED 2,529,038 in the previous year.

Review of the business

The Company is licensed to trading in perfumes and cosmetics, beauty and personal care requisites, baby care requisites, soap & hair care products.

During the year, revenue increased by 39.98% to AED 80,344,297 as compared to AED 57,396,114 in the previous year.

Gross profit margin for the current year is 61.02% as compared to 61.33% 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.

Amitabh Goenka

Mr. Amitabh Goenka
Director

Date : May 5, 2025



**Independent Auditor's Report to the Shareholder of****EMAMI INTERNATIONAL PERSONAL CARE L.L.C****P. O. Box No. 418059, Office No-404, Bay Square, Building No-13, Business Bay, Dubai, United Arab Emirates****Report on the audit of the financial statements**

We have audited the financial statements of **Emami International Personal Care LLC** ("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.

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, the UAE Commercial Company Law No (32) of 2021 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 on Emami International Personal Care L.L.C (continued...)



Independent auditor's report on Emami International Personal Care L.L.C (continued...)

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 on Emami International Personal Care L.L.C (continued...)



Independent auditor's report on Emami International Personal Care L.L.C (continued...)

Report on other legal and regulatory requirement

As required by the UAE Commercial Company Law No (32) of 2021, 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 the UAE Commercial Company Law No (32) of 2021;
- 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 UAE Commercial Company Law No (32) of 2021 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 Emiartes

Date : May 5, 2025



EMAMI INTERNATIONAL PERSONAL CARE L.L.C

P. O. Box No. 418059, Office No-404, Bay Square, Building No-13, Business Bay, Dubai, United Arab Emirates

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended March 31, 2025
All figures are expressed in U.A.E. Dirhams

Notes

01.04.2024 to 31.03.2025 01.04.2023 to 31.03.2024

Continuing operations

Revenue	6	80,344,297	57,396,114
Cost of sales	7	(31,316,230)	(22,197,376)
Gross profit		49,028,067	35,198,738
Other income	8	127,786	7,023
Distribution cost	9	(29,916,493)	(24,354,446)
Other administrative expenses	10	(17,418,556)	(13,381,504)
Operating Profit / (Loss)		1,820,804	(2,530,189)
Finance cost		(72,098)	0
Finance income		356,473	1,151
Profit / (Loss) before income		2,105,179	(2,529,038)
Income tax expenses	11	(135,968)	0
Profit / (Loss) from continuing operations		1,969,211	(2,529,038)
Discontinued operations		0	0
Profit for the year from discontinued operations		0	0
Profit / (Loss) for the year		1,969,211	(2,529,038)
Attributable to :			
Shareholder of the Company		1,969,211	(2,529,038)
Non-controlling interest		0	0
Profit / (Loss) for the year		1,969,211	(2,529,038)

Other comprehensive income

- Items that will not be reclassified subsequent to profit or loss			
Remeasurements of post-employee benefit obligations		(592,844)	140,570
- Items that may be reclassified subsequent to profit or loss		0	0
Total Comprehensive income for the year		1,376,367	(2,388,468)
Attributable to:			
Shareholder of the Company		1,376,367	(2,388,468)
Non-controlling interest		0	0
Total Comprehensive income for the year		1,376,367	(2,388,468)

These financial statements on pages 5 to 27 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 PERSONAL CARE L.L.C

P. O. Box No. 418059, Office No-404, Bay Square, Building No-13, Business Bay, Dubai, 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
<u>ASSETS</u>			
Non-Current Assets			
Property, plant and equipment	12	3,064,136	2,846,997
Capital work-in-progress	13	913,784	913,784
Investment properties	14	2,181,616	0
Investments	15	3	0
Financial assets at amortised cost	16	21,500	44,750
Total non-current assets		6,181,039	3,805,531
Current Assets			
Inventories	17	603,991	348,664
Trade receivables	18	26,444,863	36,831,177
Cash and bank balances	19	9,315,248	767,448
Financial assets at amortised cost	16	965,815	2,008,623
Other assets	20	821,634	1,275,445
Total current assets		38,151,551	41,231,357
Total assets		44,332,590	45,036,888
<u>LIABILITIES</u>			
Non-Current Liabilities			
Employee end of service benefits		1,449,443	739,661
Total non-current liabilities		1,449,443	739,661
Current Liabilities			
Borrowings	21	1,570,243	0
Trade and other payables	22	29,139,786	40,413,159
Other liabilities	23	15,931,616	9,018,933
Total current liabilities		46,641,645	49,432,092
Total liabilities		48,091,088	50,171,753
Net liabilities		(3,758,498)	(5,134,865)

(Continued on next page...)



EMAMI INTERNATIONAL PERSONAL CARE L.L.C

P. O. Box No. 418059, Office No-404, Bay Square, Building No-13, Business Bay, Dubai, 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

EQUITY

Share capital	1.1	300,000	300,000
Retained earnings	24	(3,615,672)	(5,584,883)
Other equity	25	(442,826)	150,018
Total equity		<u>(3,758,498)</u>	<u>(5,134,865)</u>

These financial statements on pages 5 to 27 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 PERSONAL CARE L.L.C
P. O. Box No. 418059, Office No-404, Bay Square, Building No-13, Business Bay, Dubai, 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	Remeasurement of employee benefits end of service	Total
Balance as at beginning of the year	300,000	(3,055,845)	9,448	(2,746,397)
Loss for the year	0	(2,529,038)	0	(2,529,038)
Other comprehensive income	0	0	140,570	140,570
Total comprehensive income for the period	0	(2,529,038)	140,570	(2,388,468)
Transaction with shareholder recorded directly in equity	0	0	0	0
Balance as at March 31, 2024	300,000	(5,584,883)	150,018	(5,134,865)
Profit for the year		1,969,211	0	1,969,211
Other comprehensive income		0	(592,844)	(592,844)
Total comprehensive income for the year	0	1,969,211	(592,844)	1,376,367
Transaction with shareholder recorded directly in equity	0	0	0	0
Balance as at March 31, 2025	300,000	(3,615,672)	(442,826)	(3,758,498)

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



EMAMI INTERNATIONAL PERSONAL CARE L.L.C

P. O. Box No. 418059, Office No-404, Bay Square, Building No-13, Business Bay, Dubai, United Arab Emirates

Statement of Cash Flows

For the Year Ended March 31, 2025

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

Notes

**01.04.2024 to
31.03.2025**

**01.04.2023 to
31.03.2024**

I. Cash flow from operating activities

Net profit / (loss) for the year 2,105,179 (2,529,038)

Adjustments for:

Depreciation and amortisation 345,860 38,591

Finance income (356,473) (1,151)

Finance expense 72,098 0

Provision for employee end of service benefits 116,938 218,911

Income tax (135,968) 0

Cash flow from / (used in) operations before working capital changes 2,147,634 (2,272,687)

Changes in inventories (255,327) (331,968)

Changes in trade receivables 10,386,314 (29,280,973)

Changes in financial asset at amortised cost 1,066,058 (414,502)

Changes in other assets 453,811 (757,913)

Changes in trade and other payables (11,273,373) 34,770,169

Changes in other current liabilities 6,912,683 1,741,337

Payment of employee end of service benefits 0 (28,302)

Net cash flow from operating activities 9,437,800 3,425,161

Finance expense (72,098)

Cash generated from operations 9,365,702 3,425,161

II. Cash flow from investing activities

Finance income 356,473 1,151

Purchase of property, plant and equipment (544,615) (58,353)

Purchase of Investment (3) 0

Purchase of Investment properties (2,200,000) 0

Additional in capital work in progress 0 (3,733,494)

Net cash used in investing activities (2,388,145) (3,790,696)

III. Cash flow from financing activities

Net cash flow from financing activities 0 0

Increase / (Decrease) in cash and cash equivalents (I + II + III) 6,977,557 (365,535)

Cash and cash equivalents as at beginning of the year (Note 5.11, 26) 767,448 1,132,983

Cash and cash equivalents as on March 31, 2025 (Note 5.11, 26) 7,745,005 767,448

Non-cash financing and investing activities Nil Nil

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



EMAMI INTERNATIONAL PERSONAL CARE L.L.C

P. O. Box No. 418059, Office No-404, Bay Square, Building No-13, Business Bay, Dubai, 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 PERSONAL CARE L.L.C ("the Company") is incorporated as a Limited Liability Company – Single Owner in accordance with the provisions of UAE Commercial Company Law No (32) of 2021 on Commercial Companies as per the license no. 1026198 and commercial registration dated January, 25, 2022 issued by Department of Economy.

The registered office address of the Company is located at P. O. Box 418059, Office No-404, Bay Square, Building No-13, Business Bay, Dubai, United Arab Emirates.

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

Name of the Shareholder	Number of Share	Value
M/s Emami International FZE	300	300,000

The Share Capital of the Company is AED 300,000 divided into 300 share of AED.1,000 each.

On October 10, 2023, the name of the company has been changed from Emami International Personal Care Trading L.L.C to Emami International Personal Care L.L.C.

1.2 Business Activities

The Company is engaged in trading in perfumes and cosmetics, beauty and personal care requisites, baby care requisites, soap & hair care products.

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).

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

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

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.

3.4 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. 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.

3.5 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.

3.6 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.

3.7 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.

3.8 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.

4 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, 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:

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

4.1 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 Policies

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.

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 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. Its 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.

5.4 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.



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.

5.5 Leases

5.5.1 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 Property, Plant and Equipment

5.6.1 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.

5.6.2 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.

5.6.3 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:

Plant & Machinery	10.00%	10 years
Office Equipment	4.75%, 16.21% and 6.33%	21.05, 6.17 and 15.79 years

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

5.7 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.

5.8 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.

5.9 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.

5.10 Impairment of Financial

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.

5.11 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.

5.12 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.

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.

5.13 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.

5.14 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.

5.15 Income Tax

5.15.1 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. 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 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.

5.15.2 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.

5.16 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.

5.17 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.)

6 Revenue

	01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024
Revenue from contract with customers	80,344,297	57,396,114
	<u>80,344,297</u>	<u>57,396,114</u>



Notes:

- i. The above revenue is recognised at a point in time.
- ii. Revenue comes from sale of perfumes and cosmetics, beauty and baby care products, etc sold to the customers in UAE, Oman, Bahrain, Kuwait, Qatar and KSA.

	01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024
7 Cost of Revenue		
Opening inventory	348,664	16,696
Purchase and direct expenses	31,571,557	22,529,344
Closing inventory	(603,991)	(348,664)
	<u>31,316,230</u>	<u>22,197,376</u>
8 Other Income		
Rental income	60,000	0
Other items	67,786	7,023
	<u>127,786</u>	<u>7,023</u>
9 Distribution Cost		
Advertisement expense	28,818,456	23,799,361
Distributor sales representative	469,688	0
Other distribution expenses	628,349	555,085
	<u>29,916,493</u>	<u>24,354,446</u>
10 Other Administrative Expenses		
Rent expenses	949,065	606,312
Payroll and related expenses	10,877,568	9,441,816
Depreciation and amortisation	345,860	38,591
Forex loss	0	16,197
Foreign travelling	613,625	798,174
Retainership charges	372,900	276,301
Bank charges	195,306	65,009
Rates and taxes	523,900	116,659
Commission	77,990	0
Telephone charges	28,088	27,090
Professional charges	478,372	170,987
Research and development	396,904	187,349
Conveyance expenses	69,156	73,886
Recruitment expenses	131,193	122,187
Miscellaneous expenses	650,367	353,911
Royalty	1,708,262	1,087,035
	<u>17,418,556</u>	<u>13,381,504</u>
11 Income Tax Expense		
Current income tax expense	135,968	0
Deferred tax assets	0	0
Income tax expense recognised in statement of profit or loss	<u>135,968</u>	<u>0</u>



11.1 Tax Reconciliation:	31.03.2025	31.03.2024
Accounting profit before tax	2,105,179	0
Non-deductible expenses	0	0
Taxable Profit	2,105,179	0
Profit on which 0% tax rate applicable	(375,000)	0
Net taxable profit @ 9%	1,730,179	0
		0
Tax 9% on taxable profit	155,716	0
Income tax expense	155,716	0
Effective tax rate	7.40%	0.00%
Tax accounted in books	135,968	

12 Property, Plant and Equipment

	Plant & Machinery	Office Equipment	Total
Rate of depreciation	10.00%	4.75%, 16.21% and 6.33%	
Cost			
As at April 1, 2023	0	7,526	7,526
Additions	2,819,710	58,353	2,878,063
As at March 31, 2024	2,819,710	65,879	2,885,589
Additions	485,440	59,175	544,615
As at March 31, 2025	3,305,150	125,054	3,430,204
Depreciation			
As at April 1, 2023	0	0	0
For the period	25,408	13,184	38,592
As at March 31, 2024	25,408	13,184	38,592
For the year	298,710	28,766	327,476
As at March 31, 2025	324,118	41,950	366,068
Net Value			
As at March 31, 2025	2,981,032	83,104	3,064,136
As at March 31, 2024	2,794,302	52,695	2,846,997

Note: Plant and machineries having cost value of AED 2,819,710 are located at the factory of Helios Perfumes and Cosmetics LLC, a supplier of the Company.

13 Capital Work- in- Progress

Balance at the beginning of the year	913,784	0
Payment made during the year	0	3,733,494
Transferred to Property, plant and equipments	0	(2,819,710)
Balance at the end of the year	913,784	913,784

- All Capital work in progress are located at of Helios Perfumes and Cosmetics LLC, a supplier of the Company.
- Capital work in progress represents CRÈME 21 jars and caps moulds used as parking materials, production for which is not yet started.



14 Investment Properties	31.03.2025	31.03.2024
Cost as on April 1, 2024	0	0
Addition for the year	2,200,000	0
Less : accumulated depreciation	(18,384)	0
Balance as at March 31, 2025	<u>2,181,616</u>	<u>0</u>

The movement in accumulated depreciation are as follows:

As at April 1, 2024	0	0
For the year	18,384	0
As at Mar 31, 2025	<u>18,384</u>	<u>0</u>

14.1 Details of Company's Investment Properties

Property Number : 1906 in Regal Tower

14.2 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.

14.3 All the above property are held under freehold interest.

14.4 The above residential property at Regal tower, Dubai has been rented out during the period and a rental income of AED 60,000 (Previous year AED Nil) has been accounted during the year.

14.5 The investment property has been valued by an external independent valuer who has issued valuation report dated September 31, 2024.

14.6 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);

15 Investments

15.1 Unlisted Securities

Investments in Emami Neo Herbal Pvt Ltd

3	0
<u>3</u>	<u>0</u>



16	Financial Assets at Amortised Cost	31.03.2025	31.03.2024
	Long term		
	Deposits	21,500	44,750
		<u>21,500</u>	<u>44,750</u>
	Short term		
	Advances to employees	109,664	67,842
	Loan to others	856,151	751,151
	Other receivable from Emami International FZE	0	1,189,630
		<u>965,815</u>	<u>2,008,623</u>
16.1	The other receivable from Emami International FZE were unsecured, interest free and its receivable on demand.		
16.2	Loan to others are given on interest @ of 14.00% p.a. for AED 750,000, are unsecured and it is receivable on demand.		
17	Inventories		
	Goods in trade	603,991	348,664
		<u>603,991</u>	<u>348,664</u>
17.1	Inventories recognised as an expense during the year ended March 31, 2025 amounted to AED 31,316,230 (Previous Year AED 22,197,376). These were included in the cost of revenue.		
18	Trade Receivables		
	Trade receivables	26,444,863	36,831,177
		<u>26,444,863</u>	<u>36,831,177</u>
19	Cash and Bank Balances		
	Cash in hand	7,755	8,114
	Balance with bank in current account	9,307,493	759,334
		<u>9,315,248</u>	<u>767,448</u>
20	Other Assets		
	Prepayments	664,063	734,154
	Advance to suppliers	157,571	541,291
		<u>821,634</u>	<u>1,275,445</u>
21	Borrowings		
	Bank overdraft	1,570,243	0
		<u>1,570,243</u>	<u>0</u>
21.1	Above bank overdraft is secured by a valid Standby Letter of Credit issued by Citibank, India in favour of Citibank, Dubai.		



22	Trade and Other Payables	31.03.2025	31.03.2024
	Trade creditors	4,237,264	6,392,729
	Employee benefits	1,526,797	1,286,833
	Accruals	23,375,725	32,733,597
		<u>29,139,786</u>	<u>40,413,159</u>
23	Other Liabilities		
	Security deposit	4,250	0
	Advance from customers	1,504,124	0
	Current tax liabilities	135,968	0
	Provisions for expenses	2,231,402	2,535,297
		<u>15,931,616</u>	<u>9,018,933</u>
24	Retained Earnings		
	Balance at the beginning of the year	(5,584,883)	(3,055,845)
	Net profit / (loss) for the year	1,969,211	(2,529,038)
	Balance at the end of the year	<u>(3,615,672)</u>	<u>(5,584,883)</u>
25	Other Equity		
	Remeasurement of employee end of service benefits	(442,826)	150,018
		<u>(442,826)</u>	<u>150,018</u>
26	Cash and Cash Equivalents		
	Cash in hand	7,755	8,114
	Balance with bank in current account	9,307,493	759,334
	Bank overdraft	(1,570,243)	0
		<u>7,745,005</u>	<u>767,448</u>
27	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 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 entities.		
27.1	Related Party Transactions		
	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:		
A	Directors and key managerial personnel		
	Rent	<u>348,852</u>	<u>465,000</u>



B	With related parties - Parent Company	31.03.2025	31.03.2024
	Purchases	166,650	889,876
	Sales	176,220	0
	Payment for Capital work in progress	0	3,733,494
	Purchase of investment property	2,200,000	0
	Finance income	251,473	0
C	With related parties - Ultimate Parent Company		
	Royalty expenses	1,708,262	1,087,035
	Guarantee commission	77,990	0
	Purchases	2,234,317	1,706,865

27.2 Related Party Balances

Significant related party balances are as follows:

A Directors and key managerial personnel

Prepayments to directors and key managerial personnel	0	475,000
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B With related parties - Parent Company

Other receivable from Emami International FZE	0	1,189,630
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C With related parties - Ultimate Parent Company

Trade creditors	2,935,360	2,598,557
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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

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.

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 three customer represents 93.01% of the total value of trade debtors outstanding (As at March 31, 2024: 78.72%).



Country-wise breakup of customers in %:

Country	As at 31.03.2024	As at 31.03.2023
UAE	58.78%	41.05%
KSA	22.40%	25.40%
OMAN	11.83%	12.27%
KUWAIT	3.45%	9.20%
BAHRAIN	0.00%	2.78%
QATAR	3.54%	9.30%
Total	100.00%	100.00%

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.

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

Year Ended: March 31, 2025	Contractual Cash Flows	12 Months or Less	Above 12 Months
Non-derivative financial liabilities			
- Employee end of service benefits	1,449,443	0	1,449,443
- Borrowings	1,570,243	1,570,243	0
- Trade and other payables	29,139,786	29,139,786	0
Derivative financial liabilities	0	0	0
Total financial liabilities	32,159,472	30,710,029	1,449,443



Year Ended: March 31, 2024	Contractual Cash Flows	12 Months or Less	Above 12 Months
Non-derivative financial liabilities			
- Employee end of service benefits	739,661	0	739,661
- Trade and other payables	40,413,159	40,413,159	0
Derivative financial liabilities	0	0	0
Total financial liabilities	41,152,820	40,413,159	739,661

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. The company does not have any interest bearing financial liabilities and therefore there is no exposure to interest rate risk.

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

The loan to others is bearing interest at 14% p.a. for loan given of AED 750,000.

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.

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.

