ORKLA IMEA TRADING L.L.C
DUBAI

Special Purpose Financial Statements
For the period from the date of incorporation on
9 May 2024 to 31 March 2025

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ORKLA IMEA TRADING L.L.C, DUBAI

Report on the Audit of the Special Purpose Financial Statements

Opinion
We have audited the special purpose financial statements of ORKLA IMEA Trading L.L.C, Dubai, ("the Company") which comprise the Balance sheet as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from the date of incorporation on 9 May 2024 to 31 March 2025, and notes to the special purpose financial statements, including the material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2025, its profit and loss and its cash flows for the period from the date of incorporation on 9 May 2024 to 31 March 2025.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the special purpose financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Special Purpose 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 (IESBA Code) together with the ethical requirements that are relevant to our audit of the special purpose financial statements under the provisions of the Act and the Rules thereunder, we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of matter – Basis of Preparation and Restriction on Use and Distribution
Without modifying our opinion, We draw attention to Note 3.1 to the special purpose financial statements, which describes the basis of preparation. The special purpose financial statements are prepared to assist the management of the Company in preparing their Parent Company's consolidated financial statements. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for Company, its management, Parent Company and the auditors of the Parent company and should not be distributed to parties other than the Company, its management, Parent Company and the auditors of the Parent company. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements
Management is responsible for the preparation of these the special purpose financial statements in accordance with the Ind AS issued by Accounting Standards Board by institute of Chartered Accounts of India (ICAI) and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ORKLA IMEA TRADING L.L.C, DUBAI, (Continued)

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose 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 Special Purpose 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 special purpose financial statements, including the disclosures, and whether the special purpose 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.

For Moore Stephens L.L.C

Farad K. Lakdawala
Registration No.: 341

23 May 2025
Dubai, United Arab Emirates

Balance Sheet

(stated in AED)

	Note	2025
Assets		
Non-current assets		
Property, plant and equipment	10	5,691
Intangible asset	11	206,095
Total non-current assets		211,786
Current assets		
Inventories	12	1,528,746
Financial assets		
-Trade receivables	14	1,472,625
-Cash and cash equivalents	15	1,680,322
-Other current financial assets	16	1,256,865
Other current assets	17	237,841
Total current assets		6,176,399
Total assets		6,388,185
Equity and liabilities		
Equity		
Equity share capital	18	500,000
Other equity	19	56,321
Retained earnings		1,070,090
Total equity		1,626,411
Liabilities		
Non-current liability		
Financial liability		
Other non-current liability	20	83,782
Total non-current liability		83,782
Current liabilities		
Financial liabilities		
-Trade payables	21	4,251,740
-Other current financial liability	22	351,937
Current tax liabilities	13	74,315
Total current liabilities		4,677,992
Total liabilities		4,761,774
Total equity and liabilities		6,388,185

The attached notes 1 to 24 form part of these special purpose financial statements.

Mr. Babu Kattanpillil Sivan Pillai
General Manager
23 May 2025

Statement of profit or loss

(stated in AED)

	Note	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Income		
Revenue from operations	3.3 a) & 4	**10,694,656**
Other income	5	**7,487,423**
Total income		**18,182,079**
Expenses		
Cost of sales	6	**8,245,087**
Employee benefit expense	7	**3,173,731**
Depreciation and amortization expense	8	**58,948**
Other expenses	9	**5,503,587**
Total expenses		**16,981,353**
Profit for the period before tax		**1,200,726**
Income tax expense	13	**(74,315)**
Profit for the period after tax and other comprehensive income		**1,126,411**

The attached notes 1 to 24 form part of these special purpose financial statements.

Statement of changes in equity

(stated in AED)

		Other equity		
For the period from the date of incorporation on 9 May 2024 to 31 March 2025	Share capital	Legal reserve	Retained earnings	Total
Share capital introduced during the period	**500,000**	**--**	**--**	**500,000**
Profit for the period	**--**	**--**	**1,126,411**	**1,126,411**
Transfer to legal reserve	**--**	**56,321**	**(56,321)**	**--**
Balance at 31 March 2025	**500,000**	**56,321**	**1,070,090**	**1,626,411**

The attached notes 1 to 24 form part of these special purpose financial statements.

Statement of cash flows

(stated in AED)

	Note	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Cash flows from operating activities		
Profit for the period before tax		**1,200,726**
Adjustments for:		
Provision for employees' terminal benefits	20	**83,782**
Depreciation	8	**98**
Amortisation of intangible asset	8	**58,850**
Cash flows from operations before working capital changes		**1,343,456**
(Increase) in accounts and other receivables		**(2,967,331)**
Increase in accounts and other payables		**4,603,677**
(Increase) in inventories		**(1,528,746)**
Net cash from operating activities		**1,451,056**
Cash flows from investing activities		
Purchase of property, plant and equipment	10	**(5,789)**
Purchase of intangible asset	11	**(264,945)**
Cash (used in) investing activities		**(270,734)**
Cash flows from financing activity		
Capital introduced during the period		**500,000**
Net cash from financing activity		**500,000**
Increase in cash and cash equivalents during the period		**1,680,322**
Cash and cash equivalents at the end of the period	15	**1,680,322**

The attached notes 1 to 24 form part of these special purpose financial statements.

Notes to the special purpose financial statements

(stated in AED)

1. Legal status and principal activities

ORKLA IMEA Trading L.L.C was registered as a limited liability company in the Emirate of Dubai on 9 May 2024 in accordance with the UAE Federal Decree-Law No. 32 of 2021 was issued and came into effect on 2 January 2022.

The registered shareholding pattern of the Company for the period ended 31 March 2025 was as follows:

Name of shareholder	2025
ORKLA India Private Limited (Formerly MTR Foods Private Limited) ("Parent Company")	100%
	100%

The Company is ultimately owned by ORKLA ASA, Norway ("the Ultimate Parent Company"), a company registered in Norway, which is also the ultimate controlling party. The Ultimate beneficial owner of the Company is Mr. Stein Erik Hagen, a Norway national.

The company is engaged in general trading, managing the renowned brands such as MTR and Eastern.

The principal place of business of the Company is located at Level 1, MVK Central, Majan, Wadi Al Safa 3, PO Box -10042, Dubai, United Arab Emirates.

The Company's operations are managed by Mr. Babu Kattanpillil Sivan Pillai.

The Company had not purchased any shares during the period ended 31 March 2025.

2. Accounting period

The financial statements relate to the period from the date of incorporation of the Company on 9 May 2024 to 31 March 2025, being the first financial accounting period of the Company.

3. Basis of preparation and material accounting policy information and estimates

3.1 Basis of preparation and statement of compliance

The special purpose financial statements have been prepared in accordance with Ind AS issued by Accounting Standards Board by institute of Chartered Accounts of India (ICAI). The special purpose financial statements have been prepared in Arab Emirates Dirham (AED).

The special purpose financial statements are prepared to assist Company, its management, Parent Company and the auditors of the Parent company in preparing their Parent Company's consolidated financial statements.

3.2 Basis of measurement

The special purpose financial statements have been prepared on the historical cost basis. The material accounting policies that have been applied consistently by the Company in these special purpose financial statements are set out below.

3.3 Material accounting policy information

a) Revenue recognition

Revenue from contracts with customers is recognised when control of goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

Sale of goods
Revenue from sale of goods is recognised at a point in time when control of the asset is transferred to the customer, normally on delivery to the customer.

3. Basis of preparation and material accounting policy information and estimates (Continued)

3.3 Material accounting policy information (Continued)

a) Revenue recognition (Continued)

Delivery occurs when the goods have been shipped to the specific location, the risks of loss have been transferred to the customer, and either the customer has accepted the products in accordance with the contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The normal credit terms are 45 – 75 days upon delivery.

Consignment commission income
The Company has contracts with customers to acquire, on their behalf, goods or services from other suppliers. The Company is acting as an agent in these arrangements.

When another party is involved in providing goods or services to its customer, the Company determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Company is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Company's role is only to arrange for another party to provide goods or services, then the Company is an agent and will need to record the revenue at the net amount that it retains for its agency services.

b) Contract liabilities

The contract liabilities primarily relate to the advance consideration received from customers prior to meeting the revenue recognition criteria or when the amount of consideration received from customers exceed the amount of revenue recognised. Contract liabilities are recognised as revenue when the Company performs under the contract.

c) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and any recognised impairment loss.

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

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation is charged on assets so as to write off the cost of assets, over their estimated useful lives, less estimated residual value, using the straight-line method on the following bases:

Computer	5 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the amount of the asset carrying and is recognised in profit or loss.

d) Intangible asset

Intangible asset acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible asset 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 are reviewed at least at the end of each reporting period and any change in estimate is accounted for on prospective basis.

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 profit or loss when the asset is derecognised.

Software	3 years

3. Basis of preparation and material accounting policy information and estimates (Continued)

3.3 Material accounting policy information (Continued)

e) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

f) Financial instruments – recognition, classification, measurement, derecognition and offsetting

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Recognition and initial measurement

Trade accounts receivable 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 or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets: Classification
On initial recognition, a financial asset is classified and measured at:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVPL).

The Company does not have any financial asset that is classified and measured at FVPL or FVOCI. All recognised financial assets are measured subsequently at amortised cost.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets, which include accounts and other receivables, expense recharges receivables Parent Company, and bank balances, are classified and subsequently measured at amortised cost.

3. Basis of preparation and material accounting policy information and estimates (Continued)

3.3 Material accounting policy information (Continued)

f) Financial instruments – recognition, classification, measurement, derecognition and offsetting (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets: Subsequent measurement and gains and losses

- Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the profit or loss. Any gain or loss on derecognition is recognised in the profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses
Financial liabilities are classified and measured at amortised cost or FVPL. The Company does not have any financial liability which is classified at FVPL. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Company's financial liabilities include trade payables and other payables which is classified and subsequently measured at amortised cost.

(iii) Derecognition

Financial assets
A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is derecognised either when:

Financial assets (Continued)

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Financial liabilities
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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3. Basis of preparation and material accounting policy information and estimates (Continued)

3.3 Material accounting policy information (Continued)

g) Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade accounts receivable;
- Other financial assets; and
- Bank balances.

In case of trade accounts receivable, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. The Company has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the customers/debtors and the economic environment. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in profit or loss.

h) Income tax

The income tax expense represents the sum of current and deferred income tax expense.

Current tax is the expected tax payable/receivable on the taxable income/loss for the period, using tax rates enacted or substantially enacted as at the reporting date, and any adjustments to the tax receivable/payable in respect of prior period.

Income tax relating to items recognised directly in other comprehensive income or equity is recognised directly in other comprehensive income or equity and not in profit or loss.

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted as at the reporting date.

Deferred income tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised.

3. Basis of preparation and material accounting policy information and estimates (Continued)

3.3 Material accounting policy information (Continued)

h) Income tax (Continued)

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

i) Inventories

Inventories are stated at lower of cost or net realisable value, after making due allowance for any obsolete or slow-moving items. Cost is determined on weighted average cost basis and consists of aggregate of purchase price and other related expenses incurred to bring the inventories to their present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

Cost of goods in transit is determined based on costs incurred up to the reporting date.

j) Employees' terminal benefits

Provision is made for employees' terminal benefits on the basis prescribed under the UAE Federal Labour Law based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment. Accordingly, the Company has no expectation of settling its employees' terminal benefits obligation in the near future and is determined as the liability that would arise if the employment of all staff were to be terminated at the reporting date.

An actuarial valuation is not performed on employees' terminal and other benefits as the net impact of the discount rate and future salary and benefits level on the present value of the benefits obligation are not expected by the management to be significant.

k) Accounts and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received whether or not billed to the Company.

The normal credit period is 30 days to 90 receipt of goods.

l) Foreign currencies

Functional and presentation currency
The special purpose financial statements are presented in Arab Emirates Dirham (AED), which is the Company's functional and presentation currency.

Transactions and balances
Transactions in currencies other than AED are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Exchange differences arising in these cases are dealt with in profit or loss.

m) Cash and cash equivalents

Cash and cash equivalents consist of unrestricted bank balances, which are subject to an insignificant risk of changes in value.

3. Basis of preparation and material accounting policy information and estimates (Continued)

3.3 Material accounting policy information (Continued)

n) Leases

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

- the contract involves the use of an identified asset – this maybe specified explicitly or implicitly in the contract and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not an identified asset;

- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset, i.e., the Company has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used

As a Lessee
At the commencement of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. A lessee will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Short-term leases
The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of office premises that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognised because it is not probable that outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognised but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as provision.

3.4 Significant accounting estimates, judgements and assumptions

The preparation of special purpose financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

The significant management judgements and key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Revenue from Contracts with Customers

The application of revenue recognition policy in accordance with the Act has required management to make the following judgments:

3. Basis of preparation and material accounting policy information and estimates (Continued)

3.4 Significant accounting estimates, judgements and assumptions (Continued)

Revenue from Contracts with Customers (Continued)

Satisfaction of performance obligation
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 in time in order to determine appropriate method of recognising revenue. The Company has assessed that it satisfies its performance obligations at a point in time when the control of the goods has been transferred to the customer, normally on delivery to the customer.

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

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.

Trade accounts receivable
The Company applies the simplified approach to measuring expected credit losses to its trade accounts receivable which uses a provision matrix. The provision rates are based on days past due for groupings of various customer segments that substantially share the same risk characteristics or loss patterns. The provision rates are initially based on the Company's historical observed default rates and adjusted with current conditions and the Company's view of economic conditions over the expected lives of the receivables. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The Company has therefore concluded that the provision rates for trade accounts receivable are a reasonable approximation of the loss rates.

Other financial assets at amortised cost
Expected credit loss (ECL) on other financial assets at amortised cost is measured at an allowance equal to 12-month ECL where the credit risk has not increased significantly since initial recognition, or lifetime ECL when the credit risk has increased significantly since initial recognition. In assessing whether the credit risk has increased significantly, the Company takes into account quantitative and qualitative reasonable and supportable forward-looking information.

Cash and cash equivalents
Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. While cash and cash equivalents are also subject to impairment, the identified impairment loss is considered immaterial.

Impairment of inventories

Inventories are held at lower of cost or net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Impairment of property, plant and equipment and intangible asset

A decline in the value property, plant and equipment and intangible asset could have a significant effect on the amounts recognised in the special purpose financial statements. Management assesses the impairment of property, plant and equipment and intangible asset whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected

3. Basis of preparation and material accounting policy information and estimates (Continued)

3.4 Significant accounting estimates, judgements and assumptions (Continued)

Useful lives of property, plant and equipment and intangible asset

The Company's management determines the estimated useful lives of its property, plant and equipment and intangible asset for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

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 (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Taxes

Uncertainties exist with respect to the interpretations of tax regulations and the amount and timing of future taxable income. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company established provisions, based on reasonable estimates, for possible consequences of audit by the tax authorities. The amount of such provisions is based on various factors, including different interpretations of tax regulations by the Company and the tax authority. Where the final tax outcome of these matters is different from the amount that were initially recognised, such differences will impact the impact the income tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4. Revenue from contracts with customers

The following sets out the disaggregation of the Company’s revenue from contracts with customers:

a) *Type of goods or services*

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Sale of traded goods – domestic	**8,417,574**
Sale of traded goods – exports	**4,148,444**
Consignment commission income	**1,103,725**
Less: Rebate and schemes	**(2,975,087)**
	10,694,656

b) *Timing of satisfaction of performance obligation*

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
At point in time	**10,694,656**
	10,694,656

4. Revenue from contracts with customers (Continued)

c) Geographical locations

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Inside UAE	**5,965,897**
Outside UAE	**4,728,759**
	10,694,656

d) Customer relationship

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Third-party customers	**10,694,656**
	10,694,656

5. Other income

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Recharge of expenses (Note 23)	**7,487,423**
	7,487,423

6. Cost of sales

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Opening inventories	**--**
Add: Purchases during the period	**9,535,086**
Add: Freight charges	**238,747**
Less: Closing inventories (Note 12)	**(1,528,746)**
	8,245,087

7. Employee benefit expense

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Salaries, wages and bonus (Note 20 & 23)	**3,089,949**
Gratuity expenses (Note 20 & 23)	**83,782**
	3,173,731

8. Depreciation and amortization expense

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Depreciation of property, plant and equipment (Note 10)	**98**
Amortisation on intangible asset (Note 11)	**58,850**
	58,948

9. Other expenses

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Advertisement (Note 23)	**4,468,941**
Travel and conveyance (Note 23)	**289,200**
Professional fees (Note 23)	**177,832**
Short-term leases (Note 23)	**203,673**
Other distribution expenses	**78,839**
Repairs and maintenance expenses	**71,598**
Bank charges	**45,876**
Audit fees	**40,000**
Communication	**26,832**
Realised foreign currency exchange losses	**24,567**
Printing and stationery	**1,163**
Miscellaneous expenses (Note 23)	**75,066**
	5,503,587

10. Property, plant and equipment

2025	Computers	Total
Gross block		
Additions during the period	**5,789**	**5,789**
At 31 March 2025	**5,789**	**5,789**
Accumulated depreciation		
Charge for the period	**98**	**98**
At 31 March 2025	**98**	**98**
Netbook value		
At 31 March 2025	**5,691**	**5,691**

11. Intangible asset

2025	Software	Total
Cost		
Additions during the period	**264,945**	**264,945**
At 31 March 2025	**264,945**	**264,945**
Accumulated depreciation		
Charge for the period	**58,850**	**58,850**
At 31 March 2025	**58,850**	**58,850**
Net book value		
At 31 March 2025	**206,095**	**206,095**

a) The software purchased during the period, amounting to AED 264,945, has been billed by the vendor to the Parent Company, but is used exclusively for the benefit of the Company (Note 23).

12. Inventories

	2025
Trading goods (Goods in transit) (Note 6)	**1,528,746**
	1,528,746

13. Income tax

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (MoF) released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("CT Law") to enact a new corporate tax (CT) regime in the UAE. As the Company's accounting period on 31 March, the first tax period will be the period from 9 May 2024 to 31 March 2025 with the respective tax return to be filed on or before 31 December 2025.

13. Income tax (Continued)

In the statement of profit or loss and other comprehensive income

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Income tax expense in profit or loss (refer a) below)	**74,315**

In the statement of financial position

	2025
Current tax liabilities (refer b) below)	**74,315**

a) Income tax expense in profit or loss

Income tax expense recognised in profit or loss is as follows:

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Current tax expense	**74,315**
	74,315

The reconciliation between accounting profit and tax expense is as follows:

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Profit before tax	**1,200,726**
Less: Non-taxable threshold	**(375,000)**
Accounting profit subject to tax	**825,726**
Tax using the Company’s domestic tax rates (9%)	**74,315**
Income tax expense in the statement of profit or loss	**74,315**
Effective tax rate	**6.19%**

b) Current tax liabilities

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Balance at the beginning of the period	**--**
Current tax payable for the period (refer a) above)	**74,315**
Balance at the end of the period	**74,315**

The Company does not have any deferred tax assets/liabilities to report as at the period end.

14. Trade receivables

	2025
Trade accounts receivable	
- third parties	**1,472,625**
	1,472,625

15. Cash and cash equivalents

	2025
Bank current accounts	**1,680,322**
Cash and cash equivalents in the statement of cash flows	**1,680,322**

16. Other current financial assets

	2025
Expense recharges receivables-Parent Company (Note 23)	1,188,865
Staff advances	68,000
	1,256,865

17. Other current assets

	2025
VAT receivable	128,553
Advance to suppliers	67,522
Prepaid expenses	41,766
	237,841

18. Share capital

	2025
Authorised, issued and fully paid	
(500 shares of AED 1,000 each)	500,000
	500,000

19. Legal reserve

As required by the UAE Federal Decree-Law No. 32 of 2021 relating to commercial companies 5% of the profits are to be transferred to a legal reserve till the balance in legal reserve reaches 50% of the share capital, as minimum prescribed by the aforesaid Law. The reserve is not available for distribution, except in circumstances prescribed by the said Law.

20. Employees' benefits

a) Employees' terminal benefits

The provision for end of service benefits for employees is made in accordance with the requirements of the labour laws of the UAE. This is an unfunded defined benefits retirement plan. Employees are entitled to benefits based on length of service and final remuneration and are payable on termination or completion of term of employment. The cost of providing these benefits is charged as an expense on an annual basis.

The movements on the provision recognised in the statement of financial position are as follows:

	2025
Balance at the beginning of the period	--
Provided during the period	83,782
Balance at the end of the period	83,782

b) Salaries and employee related costs

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Salaries and wages	3,043,571
Other allowances	46,378
Employees' end of service benefits	83,782
	3,173,731

Salaries and employee-related costs are presented as follows in the profit or loss:

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Employee benefit expense (Note 7)	3,173,731
	3,173,731

21. Trade payables

	2025
Trade accounts payable	**2,283,009**
Accrued expenses	**1,968,731**
	4,251,740

22. Other current financial liability

	2025
Payable to employees	**351,937**
	351,937

23. Related party transactions

Related parties represent the shareholder and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Prices and terms of these transactions were approved by the management. The significant related party transactions during the period are as follows:

	Relationship	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Recharge of expenses (Note 5)	Parent Company	**7,487,423**
Salaries and employee related costs (Note 7)	Parent Company	**2,604,771**
Travel and conveyance (Note 9)	Parent Company	**226,123**
Professional fees (Note 9)	Parent Company	**8,100**
Short-term leases (Note 9)	Parent Company	**103,275**
Other expenses (Note 9)	Parent Company	**45,991**
Advertisement (Note 9)	Parent Company	**4,009,332**
Purchase of intangible asset (Note 11 a))	Parent Company	**264,945**

Significant related party balances as at the 31 March are as follows:

	For the period from the date of incorporation on 9 May 2024 to 31 March 2025
Due from Parent Company (Note 16)	
ORKLA India Private Limited (Formerly MTR Foods Private Limited), India	**1,188,865**

24. Financial risk and capital management

24.1 Financial risk factors

The Company's financial instruments consist mainly of trade accounts and other receivables, expense recharges receivables from Parent Company, bank balances, and accounts and other payables. The management believes that the fair value of the financial assets and liabilities approximate to their carrying amounts.

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. The identified key risks are:

a) Currency risk

The majority of the Company's financial assets and financial liabilities are either denominated in Arab Emirates Dirham (AED) or in currencies fixed to the USD. Hence the management believes that there would not be a material impact on the profitability if these foreign currencies weakens or strengthens against the AED with all other variables held constant.

24. Financial risk and capital management (Continued)

24.1 Financial risk factors (Continued)

b) Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances, trade accounts and other receivables and expense recharges receivables from Parent Company.

Bank balances and deposits
Credit risk from banks and financial institutions is managed in accordance with the Company's policy. The Company's bank accounts are placed only with high credit quality financial institutions.

Trade accounts receivable and expense recharges receivables from Parent Company
The credit risk on trade accounts receivable and expense recharges receivables from Parent Company is subjected to credit evaluations. The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits are defined and are set based on internal and external ratings in accordance with the Company's policies. Outstanding customer receivables are regularly monitored and an allowance has been made for expected credit losses. The amounts presented in the statement of financial position are net of allowances for expected credit losses.

The Company is exposed to significant concentration of credit risk as at the reporting date, 82% of the trade accounts receivable are due from 3 customers and 100% due from single related party.

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Impairment of financial assets
The Company's financial assets are subject to the expected credit loss model.

a) Trade accounts receivable
b) Other financial assets at amortised cost
c) Cash and cash equivalents

<u>Trade accounts receivable</u>
The Company's trade accounts receivable from third party are subject to the expected credit loss model and the identified impairment loss is considered immaterial.

The gross carrying amounts of trade accounts receivable from third party and loss allowances as at 31 March 2025 is as follows:

	2025	
	Trade accounts receivable	of which impaired
Not due	**386,301**	--
0 to 3 months due	**890,082**	--
3 to 6 months past due	**196,242**	--
	1,472,625	--

<u>Other financial assets at amortised cost</u>

Other financial assets at amortised cost include expense recharges receivables from Parent Company and other receivables and the identified impairment loss is considered immaterial.

<u>Cash and cash equivalents</u>
While cash and cash equivalents are also subject to impairment, the identified impairment loss is considered immaterial.

c) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The Company maintains good working relations with its banks.

24. Financial risk and capital management (Continued)

24.1 Financial risk factors (Continued)

c) Liquidity risk (Continued)

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 March 2025, based on contractual payment dates:

2025	On demand	Not due	0-3 months	*Total*
Trade accounts payable	**--**	**1,834,583**	**448,426**	**2,283,009**
Accrued expenses	**--**	**1,968,731**	**--**	**1,968,731**
Payable to employees	**--**	**--**	**351,937**	**351,937**
Total	**--**	**3,803,314**	**800,363**	**4,603,677**

24.2 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholder by pricing products commensurately with the level of risk.

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder or sell assets to reduce its exposure to debt. Capital comprises share capital, legal reserve and retained earnings and is measured at a total equity of AED 1,626,411 as at 31 March 2025.