EMRALD MIDDLE EAST FZE
RAK INVESTMENT AUTHORITY
FREE ZONE, RAK
UNITED ARAB EMIRATES

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH 2025

EMRALD MIDDLE EAST FZE
RAK INVESTMENT AUTHORITY
FREE ZONE
RAS AL KHAIMAH
UNITED ARAB EMIRATES

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH 2025

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DIRECTOR'S REPORT

THE DIRECTOR has pleasure in presenting their report and the audited financial statements for the year ended **31 March 2025.**

PRINCIPAL ACTIVITIES:

The principal activities of the Company are General Trading.

BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENTS:

The Company has not entered into any business transaction for the year ended **31 March 2025** and has resulted into gross turnover nill (31 March 2024 AED 134,063). For the year ended 31 March 2025 the Company did not achieve a positive gross margin during the reporting period and incurred a **net loss of AED 111,809**. (31 March 2024 Net Loss of AED 262,829). The Directors are optimistic about the prospects for the ensuing year and expect to improve the performance of the Company.

RISK MANAGEMENT & INTERNAL CONTROL SYSTEMS:

The Company is committed to the management of risk to achieve sustainability, employment and surpluses. The risk management framework identifies, assesses, manages and reports risk on a consistent and reliable basis. The primary risks are those of credit, market (liquidity, interest rate, foreign exchange) and operational risk.

The management recognises their responsibility for system of internal control and for reviewing its effectiveness. In view of the above, Company continuously monitors risks through means of administrative and information systems. Periodic MIS reports are generated which help to mitigate risks and provide full transparency.

DIRECTOR'S REPORT (CONTINUED):

GOING CONCERN:

The attached financial statements has been prepared on the going concern basis as, after making appropriate enquiries with operational department, the Director has reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future.

CREDITORS PAYMENT POLICY:

The Company maintain a policy of paying suppliers in accordance with terms and conditions agreed with them.

EVENTS AFTER YEAR END:

In the opinion of the Director, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect, substantially the result of the operations of the Company for the financial year then ended.

PERFORMANCE ANALYSIS AS ON 31.03.2025:

	31-Mar-2025 AED	31-Mar-2024 AED
Total revenue	**0**	**1,486,832**
Gross profit	**0**	**134,063**
Net Profit/loss)	**(111,809)**	**(262,829)**

DIRECTORS' REPORT (CONTINUED):

RESULTS:

The Company incurred a net loss of **AED 111,809.**

DIRECTOR:

The share capital of the Company as at 31 March 2025 was as follows:

Name	Percentage Holding	AED
M/s. Emrald Tyre Manufacturers Limited	100 %	200,000
Total	100 %	200,000

DIRECTOR'S REPORT (CONTINUED):

AUDITORS:

M/s. ABDALLAH AL QAYDI SPA Auditing, United Arab Emirates will be our auditors and a resolution to appoint them will be proposed in the Annual General Meeting (AGM).

DIRECTOR'S RESPONSIBILITIES:

The Company law required the Director to prepare the financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of the net profit or loss for that year.

The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the relevant governing Laws.

RAJESH AVIYOOR SARANGAPANI
Manager
Emrald Middle East FZE
27 May 2025

P.O.Box: 86009
RAKEZ
RAK-U.A.E
EMRALD MIDDLE EAST FZE

Ref: SPA/2025/111

28th May 2025

Independent Auditors' Report

To
The Shareholder
Emrald Middle East FZE
P.O Box 86009
Al- Jazeera Al Hamra
RAK Investment Authority, Free Zone
RAK, United Arab Emirates.

We have audited the accompanying financial statements of **Emrald Middle East FZE**, which comprise the financial position as at **31 March 2025** and the statements of comprehensive income, statement of changes in Shareholder equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

تليفون: ٩٨٥٢ ٥٤٦ ٤ ٩٧١+ ص.ب:١٨٥٨٧٩, دبي- ا.ع.م
Tel. : +971 4 546 9852, P.O.Box: 185879, Dubai - U.A.E., E-mail: varadharajan@spaauditing.com
Website : www.spaauditing.com

An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Emrald Middle East FZE, RAK– United Arab Emirates** as of **31 March 2025** and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Also, in our opinion, there were no contraventions during the year, pursuant to Emiri Decree No.(2)/2005 issued by H.H. Sheikh Saqr Bin Mohammed Bin Salem Al Qassimi, Supreme Council Member and Ruler of Ras Al Khaimah and the Federal Law No.8 of 1984 concerning the Commercial Companies of UAE together with its amendments therein, as applicable for business entities in RAK Investment Authority, Ras Al Khaimah, which might have materially affected the financial position of the Company or the result of its operations for the year.

CA Sriganesh Padmanabhan
(Reg.No.601)
Managing Partner
ABDALLAH AL QAYDI SPA AUDITING
CHARTERED ACCOUNTANTS
DUBAI – UNITED ARAB EMIRATES

EMRALD MIDDLE EAST FZE
RAK Investment Authority Free Zone
Ras Al Khaimah, UAE

Statement of Comprehensive Income
For the year ended 31 March 2025
(In United Arab Emirates Dirhams)

	Notes	31-Mar-2025	31-Mar-2024
		AED	AED
Revenue	12	-	1,486,832
Cost of sales	13	-	(1,352,769)
Gross profit		-	134,063
Administrative expenses	14	**(108,220)**	(385,466)
Employees' Terminal Benefits	15	-	-
Depreciation	7	**(903)**	(3,612)
Profit from operating activities:		**(109,123)**	(255,015)
Financial and interest expenses		**(2,220)**	(6,612)
Foreign Exchange Gain/(Loss)		**(466)**	(1,202)
Net Profit/(Loss)		**(111,809)**	(262,829)

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on pages 5 and 6.

The financial statements on pages 7 to 20 were approved on 27th May 2025 and signed by:

P.O.Box: 86009 RAKEZ RAK-U.A.E EMRALD MIDDLE EAST FZE

RAJESH AVIYOOR SARANGAPANI
MANAGER
EMRALD MIDDLE EAST FZE

EMRALD MIDDLE EAST FZE
RAK Investment Authority Free Zone
Ras Al Khaimah, UAE

Statement of Financial Position as at 31 March 2025
(In United Arab Emirates Dirhams)

	Notes	31-Mar-2025	31-Mar-2024
Assets		**AED**	AED
Current assets:			
Cash and banks	4	**944,151**	586,458
Trade and other receivables	5	**1,269,499**	1,418,336
Advance, Deposit and Prepayments	6	**7,239**	7,239
Inventory		**-**	-
		2,220,890	2,012,034
Noncurrent assets:			
Property, plant and equipment	7	**-**	903
		-	903
Total assets		**2,220,890**	2,012,938
Liabilities and Shareholders' Equity			
Current liabilities:			
Trade & Other Payables	8	**147,086**	93,432
Accruals & Provisions	9	**36,687**	8,500
Due to Related Party	11	**3,341,650**	3,103,729
		3,525,423	3,205,661
Noncurrent liabilities:			
End of service gratuity	15	**-**	-
Total liabilities		**3,525,423**	3,205,661
Shareholders' equity:			
Capital Account	2	**200,000**	200,000
Retained Earnings	11	**(1,504,534)**	(1,392,725)
Total Shareholders' equity		**(1,304,534)**	(1,192,725)
Total liabilities and Shareholders' equity		**2,220,890**	2,012,937

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on pages 5 and 6.

The financial statements on pages 7 to 20 were approved on 27th May 2025 and signed by:

RAJESH AVIYOOR SARANGAPANI
MANAGER
EMRALD MIDDLE EAST FZE

P.O.Box: 86009 RAKEZ RAK-U.A.E EMRALD MIDDLE EAST FZE

EMRALD MIDDLE EAST FZE
RAK Investment Authority Free Zone
Ras Al Khaimah, UAE

Statement of Changes in Shareholders' Equity
For the year ended 31 March 2025
(In United Arab Emirates Dirhams)

	Share Capital A/c	Retained Earnings	Total
As at 31 March 2023	200,000	(1,129,896)	(929,896)
Changes in Shareholders' Equity:			
Net Profi/(Loss) for the year	-	(262,829)	(262,829)
As at 31 March 2024	**200,000**	**(1,392,725)**	**(1,192,725)**
Changes in Shareholders' Equity:			
Net Profi/(Loss) for the year	-	**(111,809)**	**(111,809)**
As at 31 March 2025	**200,000**	**(1,504,534)**	**(1,304,534)**

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on pages 5 and 6.

RAJESH AVIYOOR SARANGAPANI
MANAGER
EMRALD MIDDLE EAST FZE
27 May 2025

EMRALD MIDDLE EAST FZE P.O.Box: 86009 RAKEZ RAK-U.A.E

EMRALD MIDDLE EAST FZE
RAK Investment Authority Free Zone
Ras Al Khaimah, UAE

Statement of Cash Flows
For the year ended 31 March 2025
(In United Arab Emirates Dirhams)

		31-Mar-2025	31-Mar-2024
		AED	AED
Cash flows from operating activities:			
Net Profit/(Loss) for the year		**(111,809)**	(262,829)
Adjustments for non cash items:			
Provision for end of service gratuity		-	-
Operating profit before changes in operating assets and liabilities		**(111,809)**	(262,829)
(Increase)/ decrease in trade & and Other receivables		**(148,837)**	(309,150)
(Increase)/ Decrease in Other Current Assets		**0**	9,137
(Increase)/ Decrease in Inventories		**0**	-
Increase/ (decrease) in service gratuity		-	-
Increase/ (decrease) in trade payables		**53,654**	75,598
Increase / (decrease) in provision and other payables		**28,187**	(17,500)
Cash generated from operations:		**(178,805)**	(504,744)
Net cash from operating activities		**(178,805)**	(504,744)
Increase/(Decrease) in Due to Related Party		**237,921**	1,111,774
Loan from Bank		-	-
Net cash (used in) financing activities		**59,116**	607,030
Net (Decrease)/increase in cash and cash equivalents			
Cash and cash equivalents, beginning of the year		**586,458**	61,627
Cash and cash equivalents, end of the year		**944,151**	586,458
Represented by:			
Cash on hand		**538**	4,129
Cash at bank		**943,614**	582,330
	Note 4	**944,151**	586,458

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on pages 5 and 6.

RAJESH AVIYOOR SARANGAPANI
MANAGER
EMRALD MIDDLE EAST FZE
27 May 2025

3 Summary of significant accounting policies:

Basis of preparation:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), and applicable requirements of the U.A.E. Law. A summary of the significant accounting policies, which have been applied consistently, are set out below:

a) Accounting convention

These financial statements have been prepared under historical cost convention basis.

b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The costs comprises of purchase price, levies, duties and any directly attributable costs of bringing the asset to its working condition. The cost of property, plant and equipment is depreciated using the straight-line method over their estimated useful economic lives as follows:

Vehicle	25%
Office Equipment	50%
Furniture	25%
Machinery	25%

As on date of balance sheet, the company has no fixed assets on record consequent to the change in license status to Flexi Desk.

3 Summary of significant accounting policies (continued):

c) Lease

Assets acquired under finance lease are capitalised and the outstanding future lease obligations are shown as due to bank. The interest element of finance leases payments is charged to statement of income in the year in which it relates.

d) Revenue recognition

Revenue is measured at the fair value of the consideration received/ receivable. Sale of goods is recognised when invoices are raised and acknowledged by the customer.

e) Financial expenses

Financial expenses are accounted in the statement of income (profit and loss account - in case of losses) in the period in which they are incurred. Except to the extent, that the borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets shall be capitalised as part of cost of that asset

f) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, which it is probable, will result in an outflow of economic benefits that can be reasonably estimated.

3 Summary of significant accounting policies (continued):

g) Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Gains and losses arising are included in the statement of income.

Non-monetary items that are measured in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

h) Employees' terminal benefits

Amounts required to cover end of service indemnity at the balance sheet date are computed pursuant to the United Arab Emirates Federal Labour Law based on the employees' accumulated year of service and current basic remuneration at the balance sheet date.

These are accounted for as required by the Federal Law No. 8 of 1980 and its subsequent amendments.

i) Intangible Assets

An intangible asset that is separable only together with a related contract, identifiable asset or liability is recognised separately from goodwill together with the related item.

3 Summary of significant accounting policies (continued):

Intangible Assets (Contd)

Complementary intangible assets with similar useful lives may be recognised as a single asset. The amendments also describe valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination for which no active market exists.

j) Financial instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the entity's balance sheet when the entity has become a party to the contractual provisions of the instrument.

Trade receivables

Sales made on credit are included in trade receivables at the balance sheet date and reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as they arise.

Trade payables

Trade payables are stated at their nominal value.

k) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, balances with bank.

4 Cash and banks

	31-Mar-2025	31-Mar-2024
	AED	AED
Cash on hand	**537.50**	608
Foreign Currency	**-**	3,521
Bank balances		
Bank Balances-Bank of Baroda	**10,258**	10,258
Commercial Bank of Dubai	**933,356**	572,072
	944,151	586,458

5 Trade and other receivables

	31-Mar-2025	31-Mar-2024
	AED	AED
Trade Receivables	**1,268,999**	1,418,336
Duties and Taxes	**501**	
	1,269,499	1,418,336

a) Aging of trade receivables are as follows:

	31-Mar-2025	31-Mar-2024
	AED	AED
Due for less than 6 months	**-**	325,630
Due for more than 6 months	**1,268,999**	1,092,707
	1,268,999	1,418,336

b) Geographical analysis:

	31-Mar-2025	31-Mar-2024
	AED	AED
Inside UAE	**1,268,999**	1,418,336
Outside UAE	**-**	-
	1,268,999	1,418,336

The fair value of trade receivables is not materially different from their balances shown in the balance sheet.

6 Advance, Deposit and Prepayments

	31-Mar-2025	31-Mar-2024
	AED	AED
Prepayments	**239**	239
Deposit	**7,000**	7,000
Advance to employees	**-**	-
	7,239	7,239

7 Property, plant and equipment

	Office Equipment	Total
	AED	AED
Cost		
As at 1 April 2024	7,224	7,224
Additions during the year	-	-
As at 31 March 2025	**7,224**	**7,224**
Accumulated depreciation		
As at 1 April 2024	6,321	6,321
Depreciation for the year	(903)	(903)
As at 31 March 2025	**7,224**	**7,224**
Net book value		
As at 31 March 2025	**0**	**0**
As at March 31,2024	903	903

8 Trade & Other Payables

	31-Mar-2025	31-Mar-2024
	AED	AED
Trade creditors	-	4,163
Duties & Taxes	-	8,544
Reimbursement to employee	**147,086**	80,726
	147,086	**93,432**

9 Accruals & Provisions

	31-Mar-2025	31-Mar-2024
	AED	AED
Provisions and Accruals	**36,687**	8,500
	36,687	8,500

10 Related parties transactions

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24, International Financial Reporting Standards(IFRS). Such transactions are in normal course of business and at terms that correspond to those on normal arms-length transactions with third parties. Related parties comprise companies and entities under the same management.

The company believes that the terms of such trade transactions are significantly different from those that could have been obtained from third parties. The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties if applicable.

The company provides / receives funds to/from related parties as and when required as working capital facilities. Parties were as follows:

Amounts Due to related parties	31-Mar-2025	31-Mar-2024
	AED	AED
Emrald Tyre Manufacturers Limited	**3,341,650**	3,103,729
	3,341,650	3,103,729

11 Retained Earnings

	31-Mar-2025	31-Mar-2024
	AED	AED
Opening balance	**(1,392,726)**	(1,129,897)
Net profit/ loss for the year	**(111,809)**	(262,829)
Closing balance	**(1,504,534)**	(1,392,726)

12 Revenue

	31-Mar-2025	31-Mar-2024
	AED	AED
Sales	-	1,486,832
	-	1,486,832

13 Cost of sales

	31-Mar-2025	31-Mar-2024
	AED	AED
Inventories, beginning of the year	-	0
Add: Purchases (including direct expenses)	-	1,352,769
	-	1,352,769
Less: Inventories, end of the year	-	0
	-	1,352,769

14 Administrative expenses

	31-Mar-2025	31-Mar-2024
	AED	AED
Salaries & other related benefits	-	51,875
Rent	**995**	995
Communication	**1,114**	1,108
Legal, Professional and Visa expenses	**67,652**	295,820
Vehicle Fuel & Maintenance	**21,859**	21,706
Business Development Expenses	-	10,932
Office Expenses	**16,600**	3,029
Smart Loan Interest	-	1,071,090
	108,220	**385,466**

15 Employees' Terminal Benefits

	31-Mar-2025	31-Mar-2024
	AED	AED
Opening balance	-	85,811
Add: provision during this year	-	-
Less: paid during the year	-	85,811
Closing balance	-	-

16 Staff strength

	31-Mar-2025	31-Mar-2024
Number of employees	-	1

Financial instruments

Financial instruments of the Company comprises of cash at bank, trade receivables, due from related parties,other assets, trade payables, bills payable, due to banks, term loans and other liabilities.

Credit risk

Financial assets which potentially expose the Company to concentration of credit risk comprise principally bank accounts, trade receivables, other receivables and amounts due from related parties.
The Company's bank accounts are placed with high credit quality financial institutions.
Trade and other receivables are stated net of allowance for doubtful recoveries.

Currency risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirhams or US Dollars to which the conversion of Dirhams into US Dollar is fixed.

Interest rate risk

The Company's deposits are at fixed rate of interest. The bank overdrafts and bank borrowings under trust receipts were at floating rates of interest at levels which are generally obtained in the United Arab Emirates.

Fair values

At the financial position date, the fair values of financial assets and liabilities at year-end appropriate their carrying amounts.

Post balance sheet event

Except for the above, subsequent to the balance sheet date and before this report is issued there were no material events, which could have significant impact on the results or the operation of the Company.