GOKALDAS EXPORTS FZCO
Dubai - United Arab Emirates

Reports and Financial Statements
For the period ended from January 10, 2022 to December 31, 2022

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DIRECTORS' REPORT

THE DIRECTORS have pleasure in presenting their report and the audited financial statements of GOKALDAS EXPORTS FZCO ("The Company") for the period ended December 31, 2022.

PRINCIPAL ACTIVITIES:

The Company is primarily involved in services relating to Clothing, including sports clothes and uniforms Trading, Clothing accessories Trading, Baby wear Trading, Fabrics Trading.

BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENTS:

This is the first year of incorporation of the company and the company has not started the business operations as of 31/12/2022. The Directors are optimistic about the prospects for the coming years and expect to further improve the performance of the Company.

DIVIDENDS:

During the year 2022 the company did not declare or pay any dividends to the shareholders.

LITIGATIONS:

There are no legal or arbitration proceedings, nor are the Directors aware of any such proceedings, as on the date of this report, which are pending or threatened, which may or may not have a material effect on the Financial statements.

AUDITORS:

The auditors of the Company are M/s. MCA Auditing, Chartered Accountants, Dubai, United Arab Emirates, and the Company proposes their re-appointment for the year ended December 31, 2023.

DIRECTORS' RESPONSIBILITIES:

The Company law requires the Directors 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 Directors are 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 UAE Federal Commercial Companies 2018 (as amended) and DAFZA Regulations.

Gokaldas Exports FZCO

Director/Manager
Ganapathi Sivaramakrishnan
Date: May 02, 2023

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GOKALDAS EXPORTS FZCO, DUBAI, UNITED ARAB EMIRATES

Report on Audit of financial statements

Opinion

We have audited the financial statements of **GOKALDAS EXPORTS FZCO (the Company),** which comprise the statement of financial position as at December 31, 2022, and the statement of total comprehensive income, statement of cash flows and statement of changes in equity for the year period ended, and notes to the financial statements, including a 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 December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). 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 ("IESBA Code") together with the other 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the provisions of the Dubai Airport Free Zone Authority and for such internal control as management determines is necessary to enable the presentation 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. The management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatement 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 the management.

• 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.

• 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.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

From the matters communicated with the management, we determine if there are any matters that were of most significance in the audit of the financial statements for the current year, and are therefore the key audit matters. Based on the information and explanation provided to us and our observation during the course of our audit, we have determined that there are no such key audit matters to be communicated in our report.

Report on Other Legal and Regulatory Requirements

As required by the provisions of the Dubai Airport Free Zone Authority, we report that:

• In our opinion, proper books of account as required by law have been kept by the Company and are maintained on a regular basis so far as it appears from our examination of those books. The statement of financial position as at December 31, 2022, and the statement of total comprehensive income, the statement of cash flows and the statement of changes in equity dealt with by this report are in agreement with the books of account. The financial statements comply with the required International Financial Reporting standards as issued by the International Accounting Standards Board (IASB).

• We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

• Based on the information and explanations given to us, there are no contraventions of the provisions of Dubai Airport Free Zone Authority or the Articles of Association of the Company during the reported period so as to adversely affect the activity or financial position of the Company.

For MCA Auditing

ام سي اي لمراجعة الحسابات
DUBAI - U.A.E.
M C A AUDITING

S.Venkatesh
Registration Number: 676
Date: 02/05/2023

GOKALDAS EXPORTS FZCO
Dubai - United Arab Emirates

Statement of financial position
As at December 31, 2022
(In United Arab Emirates Dirhams)

	Notes	2022
Assets		
Current assets		
Other Current Assets	5	18,821
Cash and cash equivalents	6	373,251
Total current assets		**392,072**
Total assets		**392,072**
Equity & Liabilities		
Shareholders' Equity		
Share capital		400,000
Retained Earnings		(22,695)
Total equity		**377,305**
Liabilities		
Current liabilities		
Other Current Liabilities	7	14,767
Total current liabilities		**14,767**
Total liabilities		**14,767**
Total shareholders' equity and liabilities		**392,072**

The Report of the Auditors is set out on Pages 3 and 4.
The financial statements were approved on behalf of the Shareholder.

Gokaldas Exports FZCO

Ganapathi Sivaramakrishnan
Manager

Date: May 02, 2023

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

GOKALDAS EXPORTS FZCO
Dubai - United Arab Emirates

Statement of comprehensive income
For the period ended from January 10, 2022 to December 31, 2022
(In United Arab Emirates Dirhams)

Particulars	Notes	January 10, 2022 to December 31, 2022
Revenue		-
Gross profit/(Loss)		-
Administrative expenses	8	(22,696)
Net profit/(Loss)		**(22,696)**
Managerial Remuneration & Other Benefits		
Total comprehensive income/(Loss) for the period		**(22,695)**

The Report of the Auditors is set out on Pages 3 and 4.
The financial statements were approved on behalf of the Shareholder.

Gokaldas Exports FZCO

Ganapathi Sivaramakrishnan
Manager

Date: May 02, 2023

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

GOKALDAS EXPORTS FZCO
Dubai - United Arab Emirates

Statement of changes in equity
For the period ended from January 10, 2022 to December 31, 2022
(In United Arab Emirates Dirhams)

Particulars	Share capital	Retained earnings	Total
Balance as at January 10, 2022			-
Introduction of capital	400,000	-	400,000
Net Profit for the period	-	(22,695)	(22,695)
Balance as at December 31, 2022	**400,000**	**(22,695)**	**377,305**

Gokaldas Exports FZCO

GOKALDAS EXPORTS FZCO
Dubai - United Arab Emirates

Statement of cash flows
For the period ended from January 10, 2022 to December 31, 2022
(In United Arab Emirates Dirhams)

Particulars	**January 10, 2022 to December 31, 2022**
Cash flows from operating activities	
Total Comprehensive Income	(22,695)
	(22,695)
(Increase)/Decrease in Other Current Assets	(18,821)
Increase/(Decrease) in Other Current Assets	14,767
Net cash (used in) / generated from operating activities (A)	**(26,749)**
Cash flow from investing activities	
Introduction of Share capital	400,000
Net cash (used in) / generated from investing activities (B)	**400,000**
Cash flows from financing activities	
Net cash (used in) / generated from financing activities (C)	**-**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**373,251**
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	**373,251**

Note:
Cash & Cash equivalents includes:

Bank balance	373,251
Total	**373,251**

Notes to the financial statements
For the period ended from January 10, 2022 to December 31, 2022

1 Reporting Entity

GOKALDAS EXPORTS FZCO ("the Company") is a company domiciled in the United Arab Emirates (UAE). The Company was incorporated on January 10, 2022 under the Service License No. 50147 issued by Dubai Integrated Economic Zones Authority. The registered office of the Company is 5th floor, Business Cluster - 2, Dubai CommerCity, Umm Ramool Dubai, United Arab Emirates. The Company is primarily involved in Clothing, including sports clothes and uniforms Trading, Clothing accessories Trading, Baby wear Trading, Fabrics Trading.

The issued authorized share capital of the Company is AED 400,000 divided into 400,000 shares of AED 1 each. Following was the shareholding as at December 31, 2022:

Name of Shareholder	% Holding	Amount (AED)
Gokaldas Exports Limited	100%	400,000
Total	**100%**	**400,000**

2 Summary of significant accounting policies

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS).

2.2 Basis of Preparation

The financial statements have been prepared on historical cost basis. The financial statements are presented in United Arab Emirates Dirhams (AED), which is the functional currency of the Company.

These financial statements have been prepared by the Management on a going concern basis based on their assessment of the financial ability of the Company.

The company has adopted accounting policies, standards and interpretations and amendments to standards and interpretations applicable as of January 01, 2022.

2.3 New and revised IFRSs applied with no material effect on the financial statements

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Gokaldas Exports FZCO

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

2.4. Summary of Key Accounting Policies

a. Revenue Recognition

IFRS 15 "Revenue from contract with customers" outlines guidelines for revenue arising from contracts with customers and supersedes current revenue recognition guidance across several standards and interpretations in IFRS.

The Company recognises revenue on fulfillment of the below mentioned criteria's:
a) The customer simultaneously receives and consumes benefits provided as part of Companies Performance obligation; or
b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhances; or
c) The Company's performance does not create an asset with an alternative use to the Customer and the Company has an enforceable right to payment for performance obligations created to date.

Gokaldas Exports FZCO

For Performance Obligations where none of the above conditions are met, revenue is recognised at a point in time at which performance obligation is satisfied.

Revenue is recognised in the financial statements to the extent that economic benefits will flow to the Company and the revenue and costs, if and when applicable can be measured reliably for its activities as specified below:

Revenue from the sale of goods in recognised when the control and ownership of the goods is transferred and the customer can direct the use of the asset and substantially obtain all the benefits arising from the use of the assets. The amount is recognised having regard to the fair value of consideration received or receivable, net of returns, trade discounts and volume rebates and other contractually agreed terms of payment.

b. Inventories

'Inventories are stated at lower of cost and net realizable value. The cost of inventories is based on the last-in first-out (LIFO) method/ First- in- first-out (FIFO) or Weighted Average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its net realizable value and the impairment loss is immediately recognized in the profit or loss.

c. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or at rates that closely approximate the rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction and are not retranslated. Foreign currency differences are generally recognised in profit or loss.

d. Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent costs are included in the asset carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow from to the company and cost of the item can be reliable measured. All other repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred.

Gokaldas Exports FZCO

Notes to the financial statements
For the period ended from January 10, 2022 to December 31, 2022

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

The residual values, useful lives and depreciation methods of the assets are reviewed and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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.

There were no fixed assets held by the company as on December, 31 2022.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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 cost to sell and value in use. Impairment losses are recognised in profit or loss.

e. Financial instruments

Financial assets and financial liabilities are recognized in the Company's financial statements

when the Company has become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are recognized in the Company's financial statements when the Company has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favorable or an equity instrument.

Gokaldas Exports FZCO

Notes to the financial statements
For the period ended from January 10, 2022 to December 31, 2022

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and liabilities are initially recognized in the Company's financial statements when the Company has become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVPL, 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 measured under IFRS 15.

ii) Classification and subsequent measurement

Financial assets: Classification
On initial recognition, a financial asset is classified as measured at:
- Amortized 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 measured and classified at FVPL and FVOCI . All recognized financial assets are classified and measured at amortized cost and equity investments at cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

• it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
• its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Gokaldas Exports FZCO

Notes to the financial statements
For the period ended from January 10, 2022 to December 31, 2022

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.
All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition

Gokaldas Exports FZCO

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortized cost

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

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. 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.

Gokaldas Exports FZCO

Notes to the financial statements
For the period ended from January 10, 2022 to December 31, 2022

The Company's financial liabilities, which include accounts and other payables, are classified and subsequently measured at amortised cost.

Impairment of financial assets

The Company recognizes an allowance for Expected Credit Loss (ECL) for all debt instruments not held at fair value through profit or loss. ECL's are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held and other credit enhancements that are integral to the contractual terms.

Derecognition

A financial asset is derecognized when:
• the right to receive cash flows from the asset has 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 right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

A financial liability is derecognized when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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.

Gokaldas Exports FZCO

Notes to the financial statements
For the period ended from January 10, 2022 to December 31, 2022

f. Leases

At the inception of the contract, the Company identifies whether the contract contains the lease element as described under the standard.

a) A contract is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
b) Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

Initial Measurement

Right to use Asset

At the commencement date, a lessee shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

- the amount of the initial measurement of the lease liability, as described in paragraph 26;
- any initial direct costs incurred by the lessee;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Lease Liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments, less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (as described in paragraph 28);
(c) amounts expected to be payable by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

Gokaldas Exports FZCO

Subsequent Measurement

Right to use Asset

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined based on the lease term.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and for leases of low-value assets. The company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

g. Employees' 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' latest drawn salary and length of service in accordance with the provisions of the United Arab Emirates Federal Labour Law. The expected costs of these benefits are accrued over the period of employment.

h. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of future economic benefits will be required to settle the obligation.

3 Critical accounting judgements, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires 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 period in which the estimates are revised and in any future periods affected.

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4 Financial risk management

The Company management observes domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through analyzing risks exposure by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk), credit risk, and liquidity risk.

The company seeks to minimize the effects of risks related to financial instruments. The company policies in this regards are set and approved by the management on foreign exchange risk, interest rate risk, credit risk and the investment of excess liquidity.

4.1. Market risk Management

The company activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company is not exposed to any significant interest rate risks.

The company undertakes certain transactions denominated in foreign currencies. Hence exposures to the exchange rate fluctuations arise.

Currently the company is mainly exposed to the currency exchange risk related to the transactions denominated in the multi currencies. There is no currency exchange risk related to transactions denominated in the US dollars or currencies linked with it as the AED rate is fixed to the US dollar. The management undertakes suitable procedure to minimize risk associated with transactions denominated in currencies other than AED and USD.

4.2. Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company obtains information about counterparty's credit worthiness from publicly available information and its own trading records.

The company exposure and the credit rating of its counterparties are continuously monitored and aggregate value of transactions concluded is spread amongst approved counterparties credit exposure is controlled by counterparty limit that are reviewed and approved periodically by the relevant management in the company and, where appropriate, letter of guarantees are obtained from the customer.

Credit risk is primarily related to the trade and other receivable balance which were presented in the balance sheet net of provision from doubtful debt that was estimated by management based on prior experience and prevailing economic condition.

4.3. Liquidity risk management

The company monitor its risk to a shortage of funds using recurring liquidity forecasting tool. This tool considers the maturity of both its financials investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flow from operations.

The company manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities by continuously monitoring forecasted and actual cash flows and matching the maturity profit of the financial asset and liabilities.

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Notes to the financial statements
For the period ended from January 10, 2022 to December 31, 2022
(In United Arab Emirates Dirhams)

	2022
5 Other Current Assets	
Prepaid expenses	18,821
	18,821
6 Cash and cash equivalents	
Cash at bank	373,251
	373,251
7 Other Current Liabilities	
Provision for expenses	4,000
Other payable	10,767
	14,767
8 Administrative expenses	
Professional Fees	12,663
License, Legal & Visa exp	2,105
Bank Charges	7,929
	22,696

9 Financial Instruments

Credit Risk

Exposure to Credit Risk

The carrying amount of Financial assets which represent the maximum credit risk as at the reporting date is as follows:

Asset head	2022
Cash at Bank	373,251
Total	**373,251**

All Financial Assets are supported by adequate collateral or are realisable upon completion of contract/due date. Hence we do not foresee the requirement for provisioning for an expected credit loss for the same.

There are no financial liabilities as of December 31, 2022.

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10 Related parties

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24, International Accounting Standards (IAS). 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 common ownership and/or common management and control; their partners and key management personnel.

The Company believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

Name of the related party	Nature of Relationship
Gokaldas Exports Limited	Parent company

11 Contingent liabilities and capital commitment

Except for the ongoing business obligations which are under normal course of business, there has been no other known contingent liability or capital commitment on Company's account as of balance sheet date.

12 Comparative figures

This is the first year of audit since incorporation and hence there are no previous year comparative figures. The company was incorporated on January 10, 2022.

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