Atraco Industrial Enterprises Jebel Ali Free Zone Branch of Amibros S.A
Dubai, U.A.E.
Special purpose Reports and Financial Statements
For the year ended March 31, 2025

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For the year ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT ON COMPONENT'S FINANCIAL INFORMATION

To M S K A & Associates Chartered Accountants - Bengaluru, India; Gokaldas Export Limited group auditor

Opinion

As requested in your group auditor instructions dated 09 April 2025 ('the instructions'), we have audited, for the purposes of your audit of the financial statements of Gokaldas Export Limited ('the Group' or 'the holding company'), the accompanying financial information of Atraco Industrial Enterprises Jebel Ali Free Zone Branch of Amibros S.A ('the Component' or 'the Branch') which comprise the Balance Sheet as at 31 March 2025, and the Statement of Profit and Loss, [including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial information, including significant accounting policy information (hereinafter referred to as the "financial information").

In our opinion, to the best of our information and according to the explanations given to us and based on the scope of our work performed in accordance with your instructions, the accompanying financial information of the Branch are prepared in all material respects, in accordance with the instructions issued by the Group's management on 09 April 2025.

Basis for Opinion

We conducted our audit based on the scope of our work performed in accordance with your instructions using International Standards on Auditing (ISAs) and the additional audit procedures specified in your instructions required by those auditing standards. Our responsibilities under those Standards are further described in the Component Auditor's Responsibilities for the Audit of the Financial Information section of our report. We are independent of the Branch in accordance with the Code of Ethics issued by the ICAI ("Code of Ethics") together with ethical requirements that are relevant to our audit of the financial information under the provisions of the Act and the rules thereunder, and 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 Opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial information, which describes the basis of accounting. The financial information are prepared by the management of the Branch to enable the Group to prepare its consolidated financial statements. As a result, this financial information may not be suitable for another purpose.

Our report is intended solely for the use of M S K A & Associates Chartered Accountants and should not be distributed to or used by any other parties. MCA Auditing shall not be liable to the Branch or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

MCA AUDITING

Our opinion is not modified in respect of this matter.

Responsibilities of Component's Management and Board of Directors/ Those charged with Governance for the Financial Information

The Board of Directors is responsible for the preparation of these financial information in accordance with the instructions issued by the Group's management on on 09 April, which are purported to be based on International Financial Reporting Standards (IFRS), and this includes the design, implementation and maintenance of internal control relevant to the preparation of financial information that are free from material misstatement, whether due to fraud or error.

In preparing the financial information, Component's management and Board of Directors are responsible for assessing the Branch'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 Board of Directors either intends to liquidate the Branch or to cease operations or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Branch's financial reporting process.

Component Auditor's Responsibilities for the Audit of the Financial Information

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

We give in "Annexure A" a detailed description of Component Auditor's responsibilities for Audit of the Financial Information.

For MCA Auditing

Chartered Accountants

ICAI Firm Registration No. 676

Partner S Venkatesh

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

Place: Dubai

Date: 21st May 2025

Atraco Industrial Enterprises Jebel Ali Free Zone Branch of Amibros S.A
Dubai - United Arab Emirates

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

	Notes	31-Mar-25	31-Mar-24
Assets			
Non-Current Assets			
Property, plant and equipment	4	540,547	79,935
Right-of-use asset	5	395,209	621,049
Deposits	6	199,431	341,560
Total Non-Current Assets		**1,135,186**	**1,042,544**
Current Assets			
Trade receivables	7	23,014,951	27,740,149
Other receivables	8	8,211,691	5,384,550
Inventory	9	54,063,281	73,987,780
Cash and Cash Equivalents	10	10,618,574	6,927,266
Due from related party	22	69,447,862	27,365,218
Total current Assets		***165,356,358***	***141,404,963***
Total Assets		**166,491,545**	**142,447,507**
Equity & Liabilities			
Shareholders' Equity			
Headoffice account		61,797,807	55,361,198
Retained Earnings		22,804,612	6,436,609
Total shareholders' Equity		***84,602,419***	***61,797,807***
Liabilities			
Non-Current Liabilities			
End of service gratuity	11	3,082,474	1,252,858
Lease liabilty	12	211,315	376,395
Total Non-Current Liabilities		**3,293,789**	**1,629,253**
Current Liabilities			
Trade Payables	13	3,971,863	1,302,911
Loan from related parties	23	18,284,073	-
Other Payables	14	12,450,192	10,972,991
Lease liabilty	12	217,530	273,280
Bank facilities	15	40,633,803	66,323,955
Due to related party	23	3,037,876	147,310
Total Current Liabilities		***78,595,337***	***79,020,447***
Total Liabilities		***81,889,126***	***80,649,700***
Total Shareholders' Equity and Liabilities		**166,491,545**	**142,447,507**

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

Authorised Signatory

Date: 21-May-2025

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

Atraco Industrial Enterprises Jebel Ali Free Zone Branch of Amibros S.A
Dubai - United Arab Emirates

For the year ended March 31, 2025
Statement of Comprehensive Income

(In United Arab Emirates Dirhams)

	Notes	31-Mar-25	01-Jan-24 to 31-Mar-24
Revenue	16	373,580,527	88,556,338
Cost of Sales	17	(328,908,801)	(78,086,228)
Gross Profit		***44,671,726***	***10,470,110***
Operating expenses			
Depreciation	4	(313,963)	(118,418)
Administration and selling expenses	18	(11,700,475)	(2,031,093)
Operating profit		***32,657,288***	***8,320,599***
Finance Charges	19	(9,860,586)	(2,604,991)
Other income/(expenses) (net)	20	7,910	721,001
Net Profit for the period		**22,804,612**	**6,436,609**
Other Comprehensive Income for the period		-	-
Total Comprehensive Income for the period		**22,804,612**	**6,436,609**

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

Authorised Signatory

Date: 21-May-2025

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

Atraco Industrial Enterprises Jebel Ali Free Zone Branch of Amibros S.A
Dubai - United Arab Emirates

Statement of changes in Headoffice account
For the year ended March 31, 2025
(In United Arab Emirates Dirhams)

	Headoffice account	Retained Earnings	Total
As at March 31, 2024	55,361,198	6,436,609	61,797,807
Withdrawals by headoffice	6,436,609	(6,436,609)	-
Net Profit/(Loss) for the period	-	22,804,612	22,804,612
As at March 31, 2025	**61,797,807**	**22,804,612**	**84,602,419**
As at January 1, 2024	27,196,678	28,164,520	55,361,198
Withdrawals by headoffice	28,164,520	(28,164,520)	-
Net Profit/(Loss) for the period	-	6,436,609	6,436,609
As at March 31, 2024	**55,361,198**	**6,436,609**	**61,797,807**

Atraco Industrial Enterprises Jebel Ali Free Zone Branch of Amibros S.A
Dubai - United Arab Emirates

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

	31-Mar-25	31-Mar-24
Cash Flows from Operating Activities		
Net Profit/(Loss) for the period	22,804,612	6,436,609
Adjustments for:		
Depreciation	313,963	118,418
End of service gratuity	2,682,603	296,489
Unrealised (gain)/loss on derivatives	9,569	-
Gain on lease modification	-	-
Finance cost	9,860,586	2,617,271
Profit on sale of asset	(21,474)	
Operating cash flow before changes in net working capital	***35,649,859***	***9,468,787***
(Increase)/Decrease in Trade Receivables	4,725,198	7,132,851
(Increase)/Decrease in Other Receivables	(2,827,141)	28,733,738
(Increase)/Decrease in Inventory	19,924,499	(11,791,806)
(Increase)/Decrease in Due from Related parties	(42,082,644)	(26,507,258)
Increase/(Decrease) in Trade payables	2,668,952	(13,143,861)
Increase/(Decrease) in Due to Related parties	2,890,566	
Increase/(Decrease) in Other Payables	1,477,201	3,775,358
Net cash (used in) / generated after working capital changes	***22,426,491***	***(2,332,191)***
Less : Staff end of service benefits paid	(852,987)	-
Net cash (used in) / generated from operating activities (A)	**21,573,504**	**(2,332,191)**
Cash Flow from Investing Activities		
Sale/ (purchase) of Property, plant & Equipment	(548,735)	-
Unrealised (gain)/loss on derivatives	(9,569)	
Deposits	142,129	
Profit on sale of asset	21,474	
Net cash (used in) / generated from Investing Activities (B)	***(394,701)***	**-**
Cash flows from Financing Activities		
Repayment of lease liability	(220,830)	(65,000)
Payment of finance cost	(9,860,586)	(2,604,991)
Due to Banks	(25,690,152)	11,102,191
Loan from Related parties	18,284,073	-
Withdrawls by Headoffice	-	-
Net cash (used in) / generated from Financing Activities (C)	***(17,487,495)***	***8,432,200***
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	3,691,308	6,100,009
Cash and Cash Equivalents at the beginning of the period	6,927,266	827,257
Cash and Cash Equivalents at the end of the period	**10,618,574**	**6,927,266**

Note:
Cash & Cash Equivalents includes:

Cash in hand	2,541	5,723
Bank balance	10,616,033	6,921,543
Total	**10,618,574**	**6,927,266**

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

Notes to the financial statements
For the year ended March 31, 2025

1 Reporting Entity

Atraco Industrial Enterprises (the "Branch") is a branch domiciled in the United Arab Emirates (UAE). The Company was incorporated on June 26, 1996 registered as Jebel Ali Free Zone Branch of overseas Registered Entity in Panama (License no 1345), under the UAE Federal Law. The registered address of the company is Plot EWTA20, Jebel Ali Free Zone P.Obox 16798 Dubai · United Arab Emirates. The Company's activity as per the Trade License is Readymade Garment Trading, Sanitary Ware Trading, Sewing & Embroidery Requisites Trading, Tiles & Flooring Material Trading, Building Hardware & Tools Trading, Basic Steel Products Trading, Timber trading & Wooden Products Trading

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 accounting policies adopted in the preparation of these financial statements are consistent with those used in the previous year, except for certain standards and interpretations and amendments to standards and interpretations adopted by the Branch as of 1 January 2023.

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

The following new and amended standards have been adopted in the financial information

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Definition of Accounting Estimate (Amendments to IAS 8)

Notes to the financial statements
For the year ended March 31, 2025

2.4 New and amended standards issued but not yet effective

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.

New and amended standards not effective and not yet adopted by The Project office DMCC	Effective date
Amendments to IAS 21 - Lack of Exchangeability	Annual periods beginning on or after 1 January 2025 (early
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	Annual periods beginning on or after 1 January 2026 (early
IFRS 18, ‘Presentation and Disclosure in Financial Statements’	Annual periods beginning or after 1 January 2027

2.5 Summary of Key Accounting Policies

a. Revenue Recognition

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer;
Step 2: Identify the performance obligations in the contract;
Step 3: Determine the transaction price;
Step 4: Allocate the transaction price to the performance obligations in the contract; and
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

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.

The Company is primarily involved in trading of apparel. Revenue is recognised delivery to the customer is completed.

b. 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.

c. 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 it 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.

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives as below.

Land & building	8 years
Plant & machinery	4 years
Office equipment, Furniture and fixtures	4 years
Motor vehicles	5 years

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.

d. 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.

Notes to the financial statements
For the year ended March 31, 2025

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.

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. Financial instruments comprise financial assets and financial liabilities. 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.

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 FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price 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 (FVTPL).

The Company does not have any financial asset that is measured and classified at FVTPL 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 FVTPL:

• 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.

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.

Notes to the financial statements
For the year ended March 31, 2025

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

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.

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.

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

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.

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.

f. Employees' end of service benefits

The Company provides end of service benefits to its employees including severance pay. 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.

g. 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.

i. Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost basis and comprises invoiced cost, freight and other charges incurred in bringing inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less any directly attributable selling expenses.

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.

Notes to the financial statements
For the year ended March 31, 2025
(In United Arab Emirates Dirhams)

4 Property, plant and equipment

	Buildings	Plant and machinery	Office equipment, furniture and fixtures	Motor vehicles	Total
Cost					
As on April 1, 2024	14,669,756	1,853,703	7,856,389	4,358,323	28,738,171
Additions during the year	-	336,885	35,519	318,900	691,304
Deletions during the year	-	(115,500)	(4,655)	(41,000)	(161,155)
As of March 31, 2025	**14,669,756**	**2,075,088**	**7,887,253**	**4,636,223**	**29,268,320**
Accumulated depreciation					
As on April 1, 2024	14,669,756	1,853,703	7,825,394	4,309,383	28,658,236
Depreciation for the year	-	17,071	10,400	60,652	88,123
Disposal during the period	-	-	-	(18,586)	(18,586)
As of March 31, 2025	**14,669,756**	**1,870,774**	**7,835,794**	**4,351,449**	**28,727,773**
Net book value					
As of March 31, 2025	**-**	**204,314**	**51,459**	**284,774**	**540,547**
Cost					
As on January 01, 2024	14,669,756	1,853,703	7,856,389	5,682,952	30,062,800
Disposal during the period	-	-	-	(1,324,629)	(1,324,629)
As of March 31, 2024	**14,669,756**	**1,853,703**	**7,856,389**	**4,358,323**	**28,738,171**
Accumulated depreciation					
As on January 01, 2024	14,669,756	1,853,703	7,822,904	4,716,583	29,062,946
Disposal during the period				(466,669)	(466,669)
Depreciation for the year	-	-	2,490	59,469	61,959
As of March 31, 2024	**14,669,756**	**1,853,703**	**7,825,394**	**4,309,383**	**28,658,236**
Net book value					
As of March 31, 2024	**-**		**30,995**	**48,940**	**79,935**
As of March 31, 2025	**-**	**204,314**	**51,459**	**284,774**	**540,547**

Notes to the financial statements
For the year ended March 31, 2025
(In United Arab Emirates Dirhams)

	31-Mar-25	31-Mar-24
5 Right of Use Asset		
Opening cost of the Right-of-use asset	1,624,677	1,624,677
Add: Modification in lease	-	-
Closing cost of the Right-of-use asset	**1,624,677**	**1,624,677**
Depreciation		
Opening Depreciation of the Right-of-use asset	1,003,628	947,169
Add: Depreciation for the period	225,840	56,459
Closing balance	**1,229,468**	**1,003,628**
Net book value	**395,209**	**621,049**
6 Deposits		
Deposits with Bank	123,431	266,560
Security Deposit	76,000	75,000
	199,431	**341,560**
7 Trade receivables		
Trade receivables	23,014,951	27,740,149
Less: Provision for expected credit loss	-	-
	23,014,951	**27,740,149**
Ageing : Trade Receivables		
0-30 Days	18,252,586	22,120,114
31-90 Days	4,762,365	3,046,383
More than 90 Days	-	2,573,652
	23,014,951	**27,740,149**
8 Other Receivables		
Staffs & management receivables	-	24,828
Advance to suppliers	7,440,247	4,099,273
Other receivables	875	216,198
Duties and taxes	369,682	942,221
Prepayments	400,887	102,030
	8,211,691	**5,384,550**

Notes to the financial statements
For the year ended March 31, 2025

9 Inventory

Raw materials and consumables **	24,875,702	29,594,316
Work-in-progress	13,523,996	31,726,000
Finished goods and goods for resale	16,103,983	11,146,000
Goods in transit	-	1,521,464
less: Provision for slow moving and obsolete inventories	(440,400)	-
	54,063,281	**73,987,780**

* inventory is pledged as security against bank loans (note 16)

**The Branch's raw materials are processed to finished goods by a third party outside of UAE under a toll manufacturing agreement: These inventories are held by a third party domiciled in Republic of Kenya.

The valuation of the inventory is on weighted average cost basis

10 Cash and cash equivalent

Cash in hand	2,541	5,723
Cash at Bank	10,616,033	6,921,543
	10,618,574	**6,927,266**

11 End of service gratuity

Opening balance	1,252,858	956,369
Add: Provision during the year	2,682,603	296,489
Less: settlements during the year	(852,987)	-
Closing balance	**3,082,474**	**1,252,858**

12 Lease Liability

Opening Balance	649,675	702,395
Modification of lease	-	-
Interest portion	39,170	12,280
Payments made	(260,000)	(65,000)
Closing Balance	**428,845**	**649,675**
Non Current portion	211,315	376,395
Current portion	217,530	273,280
	428,845	**649,675**

13 Trade Payables

Sundry creditors	3,971,863	1,302,911
	3,971,863	**1,302,911**

Notes to the financial statements
For the year ended March 31, 2025

14 Other Payables

Advance from customers	6,147,041	-
Provision for manufacturing charges on work in progress	3,554,151	3,861,743
Provision for manufacturing charges on finished goods	-	3,800,619
Accrued Expenses	2,749,000	3,310,629
Other payables	-	147,310
	12,450,192	**11,120,301**

15 Bank Facilities

Trust Receipts		
HSBC Bank Middle East	17,529,928	14,331,375
National Bank of Fujairah	6,893	19,821,544
Standard Chartered Bank	5,684,045	5,299,759
National Bank of Abu Dhabi	11,520,751	25,423,459
Bank Overdrafts		
Habib Bank AG Zurich	-	322,615
HSBC Bank Middle East	984,767	278,885
National Bank of Fujairah	-	188,608
Standard Chartered Bank	4,655,839	399,609
First Abu Dhabi Bank	251,581	258,101
	40,633,803	**66,323,955**

HSBC: Bank facility of AED 20,000,000 for the purpose of facilitating imports has been secured against:
· Corporate guarantee from Gokaldas Exports Limited
· Assignment of Insurance policy in the favour of Bank
· Assignment of Insurance policy for stock in favour of Bank

FAB Bank facility of AED 49,986,329 for the purpose af facilitating trade related fund requirement has been secured against:
· Corporate guarantee from Gokaldas Exports Limited
· Assignment of Insurance policy in the favour of Bank
· Promisory Note covering overall facility in the favour of the bank.

Notes to the financial statements
For the year ended March 31, 2025

NBF Bank facility of AED 49,986,329 for the purpose of facilitating trade related fund requirement has been secured against
· Corporate guarantee from Gokaldas Exports Limited
· Assignment of Insurance policy covering stock of AED 15,000,000 in the favour of Bank
· Indemnity for foreign exchange, currency options, commodity derivatives & Interest rate deri

SCB Bank facility of AED 7,500,000 for the purpose of facilitating trade related fund requirement has been secured.

Habib Bank facility of AED 10,000,000 for the purpose of facilitating trade related fund requirement has been secured against
· Corporate guarantee from Gokaldas Exports Limited
· Corporote guarantee from Atraco industries
· Assignment of Insurance policy for stock in the favour of Bank

	1 April 2024 to 31 March 2025	1 Jan 2024 to 31 March 2024
16 Revenue		
Income from sale of goods	373,580,527	88,556,338
	373,580,527	**88,556,338**

Revenue has been generated at a point in time and outside United Arab Emirates

17 Cost of Sales

Opening stock	73,987,780	62,195,974
Add: Purchases & other direct cost	308,984,303	89,878,034
Less : closing stock	(54,063,282)	(73,987,780)
	328,908,801	**78,086,228**

Notes to the financial statements
For the year ended March 31, 2025

18 Administrative expenses

Salaries and benefits	7,557,123	1,318,493
Director Remuneration & expenses	754,971	10,784
Product Development cost	859,317	252,174
Claims	787,657	-
Travel Expenses	395,936	88,573
Legal & Professional	207,735	87,219
Utilities	242,272	55,555
Insurance cost	242,630	19,114
Repairs & Maintenance	85,802	9,497
Interest on Lease Liability	39,170	12,280
Miscellaneous Exps	527,862	177,404
	11,700,475	**2,031,093**

19 Finance cost

Bank charges	1,274,448	296,389
Bank interest	7,801,372	2,308,602
Interest on Working capital loan	784,766	-
	9,860,586	**2,604,991**

20 Other income/(expenses) (net)

Profit on Derivatives	(9,569)	721,001
Bank interest received	1,478	-
Claim Received	(5,473)	
Profit on Sale of Asset	21,474	
	7,910	**721,001**

21 Related party transactions

The Branch enters into transactions with companies that fall within the definition of a related party as contained in 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 branch believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

Notes to the financial statements
For the year ended March 31, 2025

Name Of The Related Party	**Relationship**
Atraco Industrial Enterprises - Panama	Head office
Ashton Mombasa Apparel Limited - Kenya	Common Control
Ashton Apparel Mfg. Plc - Ethiopia	Common Control
Gokaldas Exports FZCO	Common Control
Gokaldas Exports Corporation, USA	Common Control
Nava Apparel FZCO	Common Control
Atraco Logistics Company LLC	Common Control

(a) Balances due

Due from related parties	**31-Mar-25**	**31-Mar-24**
Gokaldas Exports FZCO	35,634,319	27,365,218
ASHTON MOMBASA APPAREL LIMITED - KENYA	27,861,477	-
ASHTON APPAREL MFG. PLC - ETHIOPIA	4,825,640	-
Gokaldas Exports Corporation, USA	307,470	-
Nava Apparel	467,750	-
Atraco Logistics Company LLC	351,206	-
	69,447,862	**27,365,218**

Represents unsecured & interest free receivable from related parties.

Due to related parties

Atraco Logistics Company LLC	-	147,310
Gokaldas Exports Ltd	3,037,876	-
	3,037,876	**147,310**

Loan from related party

Gokaldas Exports FZCO	18,284,073	-
Nava	-	-
	18,284,073	**-**

(b) *Transactions during the year*	**1 April 2024 to 31 March 2025**	**1 Jan 2024 to 31 March 2024**
Sales	6,209,602	-
Purchases	95,159,033	-
Expenses	845,138	26,371,790
Reimbursement of expenses	-	147,310
Remuneration	-	10,784

Notes to the financial statements
For the year ended March 31, 2025

22 Financial Risk Management

20.1 Market risk Management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Branch has the interest-bearing loans with fixed plus variable rate of interest, hence to the extent of the variable rate, it is exposed to interest risk. The Branch analyses the interest rate exposure on a quarterly basis. During the period, interest rate risk is managed as per group policy.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. All the transactions of the Branch is in through AED and USD. The USD rate is pegged to AED therefore The Branch does not have significant transactional currency exposures as a significant proportion of its

The Company is not exposed to significant price risk.

15.2 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

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.

Exposure to Credit Risk

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

Notes to the financial statements
For the year ended March 31, 2025

Financial Assets	31-Mar-25	31-Mar-24
Trade receivables	23,014,951	27,740,149
Deposits	199,431	341,560
Cash at Bank	10,616,033	6,921,543
Due from related party	69,447,862	27,365,218
Staffs & management receivables	-	24,828
Duties and taxes	369,682	942,221
Total	**103,278,277**	**62,368,470**

An analysis of the credit rating of banks where the cash and cash equivalents are rated with a minimum "A" rating.

All other 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.

15.3 Liquidity risk

The Company manages liquidity risk by its profitable operations and also by obtaining support from Headoffice and related parties if necessary to discharge its obligations associated with financial liabilities.

The following are the contractual maturities of financial liabilities.

As at 31 March 2025

Financial liabilities	12 months or less	More than 12 months
Lease liabilty	217,530	211,315
Trade Payables	3,971,863	-
Bank Facilities	40,633,803	-
Due to related party	3,037,876	-
Loan from related party	18,284,073	-
Total	**66,145,145**	**211,315**

As at 31 March 2024

Financial liabilities	12 months or less	More than 12 months
Lease liabilty	273,280	376,395
Trade Payables	1,302,911	-
Bank Facilities	66,323,955	-
Total	**67,900,146**	**376,395**

23 Corporate tax in the UAE

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

Based on the assessment conducted by The Company, it has been determined that the CT Law does not have any effect on deferred taxes in the financial statements for the year ended 31 March 2025. Moving forward, The Company will continue to monitor further developments and assess the impact of the corporate tax on its financial statements, particularly focusing on both current and deferred tax implications, in light of any further explanations and instructions regarding the application of the CT Law.

24 Contingent liabilities and capital commitment

Except for the on going 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.

25 Comparative figures

Comparative financial information for the year ended March 31, 2024, were audited by the previous auditors of the company. The previous year figures are limited to Jan 01, 2024 to March 31, 2024 due to availability of inormation. The Comparative figures have been regrouped or reclassified wherever necessary to make them comparable to those of the current year