

Gokaldas Exports FZCO
Dubai, U.A.E.
Special purpose Reports and Financial Statements
For the year ended March 31, 2025

Gokaldas Exports FZCO
Dubai, U.A.E.

Special purpose Reports and Financial Statements
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 Gokaldas Exports FZCO ('the Component' or 'the Company') 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 Company 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 Company 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 Company to enable the Group to prepare its consolidated financial statements. As a result, these 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 Company 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.

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 09 April 2025, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company'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



Place: Dubai

Date: 21st May 2025

Gokaldas Exports FZCO
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			
Investment in subsidiaries	4	146,888,000	146,888,000
Loans and advances	5	18,263,698	-
Total Non-Current Assets		165,151,698	146,888,000
Current Assets			
Other current assets	6	-	42,063
Due from related party	14	5,370,426	-
Cash and Cash Equivalents	7	1,358,258	7,530,413
Total current Assets		6,728,684	7,572,476
Total Assets		171,880,382	154,460,476
Equity & Liabilities			
Shareholders' Equity			
Share capital		400,000	400,000
Retained Earnings		(15,902,751)	(5,913,106)
Total shareholders' Equity		(15,502,751)	(5,513,106)
Liabilities			
Non-Current Liabilities			
Borrowings	8	59,451,742	84,460,600
Total Non-Current Liabilities		59,451,742	84,460,600
Current Liabilities			
Borrowings	8	38,220,507	7,344,000
Trade Payables	9	6,459	-
Due to related party	14	88,479,671	58,653,503
Other Payables	10	1,224,754	9,515,479
Total Current Liabilities		127,931,391	75,512,982
Total Liabilities		187,383,133	159,973,582
Total Shareholders' Equity and Liabilities		171,880,382	154,460,476

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.

Gokaldas Exports FZCO
Dubai - United Arab Emirates

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

(In United Arab Emirates Dirhams)

	Notes	<u>01-Apr-24 to</u> <u>31-Mar-25</u>	<u>01-Apr-23 to</u> <u>31-Mar-24</u>
Administration and selling expenses	11	(1,173,504)	(3,814,729)
Finance Charges	12	(9,635,397)	(2,049,698)
Other income/(expenses) (net)	13	819,256	-
loss for the year		<u>(9,989,645)</u>	<u>(5,864,427)</u>
Other Comprehensive Income for the period		-	-
Total Comprehensive Income/ (loss) for the period		<u>(9,989,645)</u>	<u>(5,864,427)</u>

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.

Gokaldas Exports FZCO
Dubai - United Arab Emirates

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

	<u>Share capital</u>	<u>Retained Earnings</u>	<u>Total</u>
As at March 31, 2024	400,000	(5,913,106)	(5,513,106)
Net Profit/(Loss) for the period	-	(9,989,645)	(9,989,645)
As at March 31, 2025	<u>400,000</u>	<u>(15,902,751)</u>	<u>(15,502,751)</u>
Capital Introduced	400,000	(48,679)	351,321
Net Profit/(Loss) for the period	-	(5,864,427)	(5,864,427)
As at March 31, 2024	<u>400,000</u>	<u>(5,913,106)</u>	<u>(5,513,106)</u>

Gokaldas Exports FZCO
Dubai - United Arab Emirates

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

	<u>31-Mar-25</u>	<u>31-Mar-24</u>
Cash Flows from Operating Activities		
Net Profit/(Loss) for the period	(9,989,645)	(5,864,427)
<i>Adjustments for:</i>		
Interest income on loans to related parties	(819,256)	-
Finance cost	9,635,397	2,049,698
Operating cash flow before changes in net working capital	<u>(1,173,504)</u>	<u>(3,814,729)</u>
(Increase)/Decrease in Other Other current assets	42,064	(7,171)
(Increase)/Decrease in Due from Related parties	(5,370,426)	-
Increase/(Decrease) in Trade payables	6,459	-
Increase/(Decrease) in Due to Related parties	29,826,168	-
Increase/(Decrease) in Other Payables	(8,290,725)	153,697
Net cash (used in) / generated after working capital changes	<u>15,040,036</u>	<u>(3,668,203)</u>
Less : Staff end of service benefits paid	-	-
Net cash (used in) / generated from operating activities (A)	<u>15,040,036</u>	<u>(3,668,203)</u>
Cash Flow from Investing Activities		
Loan to related parties	(18,263,698)	-
Investment in subsidiaries	-	(110,166,000)
Net cash (used in) / generated from Investing Activities (B)	<u>(18,263,698)</u>	<u>(110,166,000)</u>
Cash flows from Financing Activities		
Payment of loan and borrowings	5,867,649	-
Due to related parties	-	30,723,715
Borrowings from bank	-	91,804,600
Interest Income received	819,255	-
Interest paid on term loan	(9,635,397)	(1,495,615)
Net cash (used in) / generated from Financing Activities (C)	<u>(2,948,493)</u>	<u>121,032,700</u>
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	<u>(6,172,155)</u>	<u>7,198,497</u>
Cash and Cash Equivalents at the beginning of the period	7,530,413	331,916
Cash and Cash Equivalents at the end of the period	<u>1,358,258</u>	<u>7,530,413</u>
Note:		
Cash & Cash Equivalents includes:		
Bank balance	1,358,258	7,530,413
Total	<u>1,358,258</u>	<u>7,530,413</u>

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

Gokaldas Exports FZCO is registered in the Dubai commerce city under a trading license issued by the Dubai Integrated Economic Zones Authority, Dubai, United Arab Emirates (UAE) and having trading license No. 50147 which was issued at January, 10 2022. The company's business activities during the year were clothing, including sports clothes and uniforms trading, clothing accessories trading, baby wear trading and fabrics trading.

The authorized and paid up capital of the company is AED 400,000 divided into 400,000 shares of AED 1 each.

Shareholder	Location	Percentage	Total Value AED
Gokaldas exports Ltd	India	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 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 Company as of 1 April 2024.

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 on 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.

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

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 reliably 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. There are no fixed assets held by the company

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.

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.

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

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.

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

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

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.

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

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;

Notes to the financial statements

For the year ended March 31, 2025

- 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.

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

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.

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

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.

i Investments

Company had adopted the policy of measuring the investment in subsidiary at cost & same have been tested for impairment. Financials statements of subsidiaries were not consolidated along with the financials statements of the company since the company has elected to present stand alone financials statements.

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.

Gokaldas Exports FZCO
Dubai - United Arab Emirates

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

	<u>31-Mar-25</u>	<u>31-Mar-24</u>
4 Investment in subsidiaries		
M/s. Amibros S.A - (100%) - Republic of Panama	141,379,700	141,379,700
M/s. Atraco Logistics Co. LLC (100%) - United Arab Emirates	5,508,300	5,508,300
	<u>146,888,000</u>	<u>146,888,000</u>

The Company owns 100% of the above subsidiaries

The value of investment in subsidiaries has been kept at cost and as per the assessment of the management there is no requirement of the impairment as their recoverable value is higher than cost.

5 Loans and advances

Loan to related parties	18,263,698	-
	<u>18,263,698</u>	<u>-</u>

6 Other current assets

Prepayments	-	19,380
Other receivables	-	22,683
	<u>-</u>	<u>42,063</u>

7 Cash and cash equivalent

Cash at Bank	1,358,258	7,530,413
	<u>1,358,258</u>	<u>7,530,413</u>

8 Borrowings

Loan from bank	97,672,249	91,804,600
	<u>97,672,249</u>	<u>91,804,600</u>

The Company had availed secured loan amounting to AED 71.9 million from HDFC bank carrying reducing balance interest rate of SOFR + 1.5% per annum.

The Company had availed a working capital loan amounting to AED 25.7 million from Citi bank carrying reducing balance interest rate of SOFR + 0.8% per annum.

The non current and current portion of Borrowings are as follows:

Non - current portion	59,451,742	84,460,600
Current portion	38,220,507	7,344,000
	<u>97,672,249</u>	<u>91,804,600</u>

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9 Trade Payables

Trade Payables	6,459	-
	6,459	-

10 Other Payables

Deferred consideration payables	-	9,356,782
Provision	-	6,878
Accrued expenses	622,132	151,819
Corporate guarantee fee payable to related parties	602,621	-
	1,224,754	9,515,479

11 Administrative expenses

Legal, license and professional fees	94,185	3,289,821
Office rent	40,365	22,926
Corporate guarantee expenses	499,529	103,092
Salary and other related benefits	412,164	299,350
Miscellaneous expenses	108,014	99,540
(Gain)/loss on account of foreign exchange fluctuations (net)	19,247	-
	1,173,504	3,814,729

12 Finance cost

Interest charge on term loan	6,871,833	1,495,615
Interest charge on holding company loan	2,723,520	554,083
Bank charges and other borrowing costs	40,044	-
	9,635,397	2,049,698

13 Other income/(expenses) (net)

Interest income on loans to related parties	819,256	-
	819,256	-

14 Related party transactions

The Company 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.

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

<u>Name Of The Related Party</u>	<u>Relationship</u>
Atraco Industrial Enterprises - Panama	Common Control
Atraco Logistics Company LLC	Common Control
NAVA APPARELS LLC-FZ	Common Control
M/s. Amibros S.A - Republic of Panama	Wholly owned subsidiary
M/s. Atraco Logistics Co. LLC (100%) - United Arab Emirates	Wholly owned subsidiary

(a) Balances due

Investments	146,888,000	146,888,000
Loans and advances (AIE)	18,263,698	-
	165,151,698	146,888,000

Due to related parties

Gokaldas Exports Ltd.	52,374,805	31,288,285
Atraco Industries Enterprises	35,634,319	27,365,218
Atraco Logistics	470,547	-
	88,479,671	58,653,503

Due from related party

NAVA APPARELS LLC-FZ	5,370,426	-
	5,370,426	-

(b) Transactions during the year

	<u>01-Apr-24 to 31-Mar-25</u>	<u>01-Apr-23 to 31- Mar-24</u>
Corporate guarantee fees	499,529	103,092
Finance cost	2,723,520	554,083
Interest Income	819,256	-

15 Financial Risk Management

15.1 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.

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Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company 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 Company 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 Company is in through AED and USD. The USD rate is pegged to AED therefore The Company does not have significant transactional currency exposures as a significant proportion of its transactions are in AED and USD.

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:

Financial Assets	<u>31-Mar-25</u>	<u>31-Mar-24</u>
Loans and advances	18,263,698	-
Due from related party	5,370,426	-
Cash at Bank	1,358,258	7,530,413
Total	<u>24,992,382</u>	<u>7,530,413</u>

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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
Borrowings	38,220,507	59,451,742
Trade Payables	6,459	-
Due to related party	88,479,671	-
Total	126,706,637	59,451,742

As at 31 March 2024

Financial liabilities	12 months or less	More than 12 months
Borrowings	7,344,000	84,460,600
Due to related party	58,653,503	-
Total	65,997,503	84,460,600

16 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.

17 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 have been regrouped or reclassified wherever necessary to make them comparable to those of the current year.