Ashok Leyland (U.A.E.) L.L.C. and
it's subsidiaries ("the Group")
Ras Al Khaimah - United Arab Emirates

Auditor's Report and Consolidated Financial Statements
For the year ended March 31, 2024

For information purposes only
UHY James

Ashok Leyland (U.A.E.) L.L.C. and it's subsidiaries ("the Group")
Ras Al Khaimah - United Arab Emirates

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Ashok Leyland (U.A.E.) L.L.C.
Ras Al Khaimah - United Arab Emirates

Report of the Directors
for the year ended March 31, 2024

The **Directors** have pleasure in presenting their seventeenth annual report and the audited consolidated financial statements for **M/s. Ashok Leyland (U.A.E.) LLC** (the "Parent Entity") and it's subsidiaries (collectively referred to as the "Group"), Ras Al Khaimah – United Arab Emirates (the "Group") the year ended March 31, 2024.

Principal Activities

The Parent Entity is licensed to engage in motor vehicles engines & parts manufacturing, engine spare parts manufacturing and installing, automobile assembling, vehicles bodies manufacturing, automobile assembling with special specifications and bus assembling.

Business Operations Review

The performance of the Group for the year ended March 31, 2024, is as follows:

Sale volume (nos)	:	4,231 vehicles	(P.Y.: 3,641 vehicles)
Revenue	:	AED 739.30 Mn	(P.Y.: AED 669.02 Mn)
Gross profit	:	AED 111.98 Mn	(P.Y.: AED 78.05 Mn)
Net profit	:	AED 24.09 Mn	(P.Y.: AED 14.06 Mn)

The rising demand for commercial vehicles with the resumption of economic activity was witnessed in FY24. It was a stellar year for the Group with the highest sale volume, which was supported by robust demand in Saudi Arabia. As a result, the Group reported growth in sale volume and revenue by 16.3% and 10.5%, respectively from the previous year. Strategic cost-saving measures such as alternative sourcing, volume bundling, design optimization, Value Analysis/Value Engineering (VAVE), insourcing, and technological upgrades, coupled with enhanced manpower efficiency culminated in a gross profit margin of 15.2% on revenue for the current year. This is a significant improvement from the previous year's gross profit margin of 11.7% of revenue.

The amount of AED 1.38 Mn (PFY: 1.38Mn) against dividend has been provided for 23,000 Nos at 6% non-cumulative redeemable preference shares of AED 1,000/- each for the financial year ended March 2024. The Group reported net profit of 3.26% (P.Y: 2.10%) on the revenue.

Business Update And Future Outlook

The economies of the Gulf Cooperation Council (GCC) are undergoing a transformative shift as they endeavor to reduce their reliance on oil. This transition is catalyzed by substantial investments in infrastructure, tourism, and public transportation, which, in turn, is propelling the demand for commercial vehicles. The commercial vehicle sector in the GCC is poised for expansion, with light commercial vehicles expected to see a notable uptick due to their flexibility and suitability for a range of sectors, including logistics and passenger transport.

In the U.A.E., Ashok Leyland is strategically leveraging the growing demand from fleet operators. The Comprehensive Economic Partnership Agreement (CEPA) between the U.A.E. and India further challenges Ashok Leyland's market position by facilitating duty-free trade. This advantage, combined with a robust US Dollar, is amplifying the competitive landscape, creating pricing rivalry between Indian automobile exporters against local manufacturers.

Conversely, in Saudi Arabia, the Saudi Standards, Metrology and Quality Organization (SASO)'s proposed revisions to the Gulf Standardization Organization (GSO) regulations, which aim to decrease the permissible vehicle lifespan to 10 years and upgrade emission norms, are anticipated to trigger a spike in demand for MY23 Euro 3 vehicles as consumers seek to make purchases ahead of the regulatory changes. Nevertheless, the alteration in the 'Certificate of Origin' rules presents a hurdle for 'Made in UAE' products, such as Ashok Leyland's buses, which are now subject to a 7% customs duty in the KSA market.

The Board of Directors maintains confidence in the management team's capabilities to navigate the forthcoming challenges. The focus will continue to be on cash flow management and margin enhancement amidst a year marked by intensified competition and challenging market conditions. The current financial year has commenced on a promising note, and the Group remains optimistic about the business performance prospects in the upcoming year.

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SUBSIDIARIES

M/s. Ashok Leyland West Africa (ALWA), SA, Ivory Coast, a 100% wholly-owned subsidiary, oversees Ashok Leyland's dealership network across Burkina Faso, Cameroon, Republic of Guinea, Liberia, Republic of Congo and Sierra Leone. The region of Western Africa is grappling with economic instability in the aftermath of the pandemic, exacerbated by political turmoil and a scarcity of foreign currency. The subsidiary has faced difficulties in refining its revenue model, which has not delivered the expected return on investment. Consequently, management has recognized the need to record an impairment for the investment of AED 9.24 Mn and has made provisions for the full loan amount AED 8.83 Mn. Despite this, business operations in West Africa will be carried at diminished capacity.

M/s. Ashok Leyland LLC Russia, a 100% owned subsidiary, is badly affected by the Russian-Ukraine war. As the crisis continues and significant sanctions are placed on Russia by Western Countries. Regrettably, the Russian subsidiary was unable to carry out its business activities. Given the complexity of the situation, we have diligently navigated these challenges and proposed to wind up the operation. The investment in this subsidiary, along with the full amount of the loan provided, has already been impaired in the previous financial year.

DIVIDEND

The Dividend has been recommended at 6% on 23,000 non-cumulative redeemable preference shares of AED 1,000/- each for the financial year ended March 2024.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

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

The Group has performed sensitivity analysis on the assumption used and based on the current estimate expects the carrying amount of these assets will be recovered.

The management recognizes their responsibility for system of internal control and for reviewing its effectiveness. In view of the above, the Group continuously monitors risks through means of administrative and information systems.

Periodic MIS reports are generated which help to mitigate risks and provide full transparency.

CREDITORS' PAYMENT POLICY

The Group maintains a policy of paying suppliers in accordance with the terms and conditions agreed with them.

PROPERTY, PLANT, AND EQUIPMENT

The movement in the property, plant, and equipment account is set out in note 6 to these consolidated financial statements.

BOARD OF DIRECTORS

The Group's Memorandum of Association requires that all Directors retire at least every three years. As the term of all the Directors' appointment are below three years, none of the Directors are liable to retiring by rotation in the current year as per the Clause 8.2 of Memorandum of Association of the Company.

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AUDITOR

M/s. UHY James Chartered Accountants, Dubai - United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting (AGM).

DIRECTORS' RESPONSIBILITIES

The U.A.E. Federal Law No. 32 of 2021 on Commercial Companies requires the Directors to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the net profit or loss for that year.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Group and to enable them to ensure that the consolidated financial statements comply with the relevant governing laws.

ACKNOWLEDGEMENTS

The Directors wish to place on record their sincere gratitude for the continuous support extended by various government departments, bankers, customers, suppliers, and employees.

These consolidated financial statements were approved by the Board and signed on behalf of the authorized representatives of the Group.

Ganesh S Mani
(Director)
Date: May 03, 2024

Amandeep Singh Arora
(Director)

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UHY James

UHY James
Chartered Accountants

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Ref: JM/AR/2024/240281

Independent Auditor's Report

To,

The Shareholders
M/s. Ashok Leyland (U.A.E.) L.L.C.
Ras Al Khaimah - United Arab Emirates

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **M/s. Ashok Leyland (U.A.E.) L.L.C.** (the "Parent Entity") and it's subsidiaries (collectively referred to as "the Group") which comprise the consolidated statement of financial position as at March 31, 2024 and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024 and its consolidated financial performance and its consolidated 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 (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), issued by International Ethics Standards Board for Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) and their preparation in compliance with the applicable provisions of the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

Registered with the Department of Economic Development, Dubai (no. 567019) as a Partnership Firm.
A member of UHY International, a network of independent accounting and consulting firms.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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. 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Independent Auditor's Report to the Shareholders of Ashok Leyland (U.A.E.) L.L.C. and it's subsidiaries (continued)

Report on Other Legal and Regulatory Requirements

Further, as required by the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, we confirm that,

1 We have obtained all the information and explanations which we consider necessary for our audit.

2 The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies and the Memorandum of Association of the Parent Entity.

3 Proper books of accounts have been maintained by the Group.

4 The financial information included in the Directors' Report is consistent with the books of accounts of the Group.

5 The Group has not made any investments in shares and stocks during the year ended March 31, 2024.

6 Note 9 to the consolidated financial statements reflects the disclosures relating to material related party transactions and terms under which they were conducted.

7 Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened, during the financial year ended March 31, 2024, any of the applicable provisions of the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies or the Memorandum of Association of the Parent Entity, which would materially affect its activities or its consolidated financial position as at March 31, 2024.

For UHY James Chartered Accountants

James Mathew FCA, CPA
Managing Partner
Reg. No. 548
May 03, 2024
Dubai - United Arab Emirates

P.O.Box: 118863
DUBAI - U.A.E.
UHY JAMES CHARTERED ACCOUNTANTS

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Ashok Leyland (U.A.E.) L.L.C. and it's subsidiaries ("the Group")
Ras Al Khaimah - United Arab Emirates

Consolidated statement of financial position as at March 31, 2024
(In Arab Emirates Dirham)

	Notes	2024	2023
Assets			
Non-current assets			
Property, plant and equipment	6	**49,899,325**	51,122,410
Right-of-use assets	7	**4,682,429**	5,078,975
Deferred tax asset	8	**-**	1,522,494
Advances, deposits and other receivables	12	**3,973,871**	3,975,371
Total non-current assets		**58,555,625**	61,699,250
Current assets			
Due from related parties	9	**893,892**	140,720
Inventories	10	**182,669,816**	108,133,511
Trade receivables	11	**87,920,453**	50,780,822
Advances, deposits and other receivables	12	**10,044,910**	11,266,026
Cash and bank balances	13	**2,200,985**	910,252
Total current assets		**283,730,056**	171,231,331
Total assets		**342,285,681**	232,930,581
Equity and liabilities			
Equity			
Share capital	14	**73,000,000**	73,000,000
Statutory reserve	15	**4,143,521**	3,716,157
Foreign currency translation reserve		**1,234,906**	1,238,249
Accumulated (losses)	16	**(37,358,823)**	(61,025,031)
Total equity		**41,019,604**	16,929,375
Non-current liabilities			
Redeemable non-cumulative non-convertible preference shares	17	**23,000,000**	23,000,000
Employees' end of service benefits	18	**5,191,373**	4,308,729
Lease liabilities	19	**10,825,928**	11,332,721
Total non-current liabilities		**39,017,301**	38,641,450
Current liabilities			
Due to related parties	9	**78,094,437**	19,969,643
Trade and other payables	20	**97,849,869**	68,374,434
Contract liabilities	21	**1,477,156**	129,688
Bank borrowings	22	**84,320,521**	88,473,454
Lease liabilities	19	**506,793**	412,537
Total current liabilities		**262,248,776**	177,359,756
Total liabilities		**301,266,077**	216,001,206
Total equity and liabilities		**342,285,681**	232,930,581

The accompanying notes on pages 11 to 39 form an integral part of these consolidated financial statements.

The report of the auditor is set out on pages 4 to 6.

The consolidated financial statements on pages 7 to 39 were approved on May 03, 2024 and signed on behalf of the Group, by:

Ganesh S Mani
Director

Amandeep Singh Arora
Director

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Ashok Leyland (U.A.E.) L.L.C. and it's subsidiaries ("the Group")
Ras Al Khaimah - United Arab Emirates

Consolidated statement of profit or loss and other comprehensive income for the year ended March 31, 2024
(In Arab Emirates Dirham)

	Notes	2024	2023
Revenue	23	**739,301,517**	669,022,629
Direct costs	24	**(627,316,607)**	(590,969,783)
Gross profit		**111,984,910**	78,052,846
Other income	25	**876,928**	1,871,404
Selling and distribution expenses	26	**(54,638,252)**	(36,044,932)
Administrative expenses	27	**(19,696,687)**	(19,947,877)
Finance costs	28	**(12,892,565)**	(9,507,395)
Profit before tax		**25,634,334**	14,424,046
Tax expenses			
Current tax		**(18,268)**	-
Deferred tax expense	8	**(1,522,494)**	(365,798)
Profit for the year		**24,093,572**	14,058,248
Other comprehensive income		**-**	-
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operation		**(3,343)**	724,068
Total comprehensive income for the year		**24,090,229**	14,782,316

The accompanying notes on pages 11 to 39 form an integral part of these consolidated financial statements.

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Ashok Leyland (U.A.E.) L.L.C. and it's subsidiaries ("the Group")
Ras Al Khaimah - United Arab Emirates

Consolidated statement of changes in equity for the year ended March 31, 2024
(In Arab Emirates Dirham)

	Share capital	Statutory reserve	Foreign currency translation reserve	Accumulated (losses)	Total equity
Balance as at April 01, 2022	73,000,000	3,472,789	514,181	(74,839,911)	2,147,059
Profit for the year	-	-	-	14,058,248	14,058,248
Transferred to statutory reserve	-	243,368	-	(243,368)	-
Exchange difference on translating foreign operation	-	-	724,068	-	724,068
Balance as at March 31, 2023	73,000,000	3,716,157	1,238,249	(61,025,031)	16,929,375
Profit for the year	-	-	-	**24,093,572**	**24,093,572**
Transferred to statutory reserve	-	**427,364**	-	**(427,364)**	-
Exchange difference on translating foreign operation	-	-	**(3,343)**	-	**(3,343)**
Balance as at March 31, 2024	**73,000,000**	**4,143,521**	**1,234,906**	**(37,358,823)**	**41,019,604**

The accompanying notes on pages 11 to 39 form an integral part of these consolidated financial statements.

The report of the auditor is set out on pages 4 to 6.

For identification purpose only
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Ashok Leyland (U.A.E.) L.L.C. and it's subsidiaries ("the Group")
Ras Al Khaimah - United Arab Emirates

Consolidated statement of cash flows for the year ended March 31, 2024
(In Arab Emirates Dirham)

	2024	2023
Cash flows from operating activities		
Profit for the year	**24,093,572**	14,058,248
Adjustments for:		
(Gain)/loss on disposal of property, plant and equipment	**(155,741)**	52,612
Depreciation on property, plant and equipment	**3,579,245**	3,713,028
Depreciation on right-of-use assets	**396,294**	561,191
Allowance for slow moving inventories	**148,702**	393,964
Deferred tax income	**1,522,494**	365,798
Bad debts written off	**109,115**	-
Provision for employees' end of service benefits	**1,264,032**	889,953
Finance costs	**12,892,565**	9,507,395
Operating profit before changes in operating assets and liabilities	**43,850,278**	29,542,189
(Increase)/decrease in current and non-current assets		
Inventories	**(74,685,007)**	(32,141,560)
Trade receivables	**(37,248,746)**	(6,732,489)
Advances, deposits and other receivables	**1,222,616**	(1,061,448)
Due from related parties	**(753,172)**	(136,175)
Increase/(decrease) in current liabilities		
Trade and other payables	**29,475,435**	4,259,148
Contract liabilities	**1,347,468**	(682,045)
Due to related parties	**58,124,794**	(10,247,788)
Cash generated from/(used in) from operations	**21,333,666**	(17,200,168)
Employees' end of service benefits paid	**(381,388)**	(450,637)
Net cash from/(used in) operating activities	**20,952,278**	(17,650,805)
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(2,333,409)**	(604,614)
Proceeds from disposal of property, plant and equipment	**176,134**	-
Net cash (used in) investing activities	**(2,157,275)**	(604,614)
Cash flows from financing activities		
Finance costs paid	**(12,480,881)**	(9,075,409)
Proceeds from bank borrowings - net	**749,937**	16,173,255
(Repayment) of lease liabilities	**(824,221)**	(948,530)
Net cash (used in)/from financing activities	**(12,555,165)**	6,149,316
Net increase/(decrease) in cash and cash equivalents	**6,239,838**	(12,106,103)
Exchange difference on translating foreign operation (net)	**(46,235)**	725,761
Cash and cash equivalents, beginning of the year	**(22,446,760)**	(11,066,418)
Cash and cash equivalents, end of the year	**(16,253,157)**	(22,446,760)
Cash and cash equivalents		
Cash in hand	**20,019**	3,006
Cash at banks	**2,180,966**	907,177
e-Dirham	**-**	69
Bank overdrafts	**(18,454,142)**	(23,357,012)
	(16,253,157)	(22,446,760)

The accompanying notes on pages 11 to 39 form an integral part of these consolidated financial statements.
The report of the auditor is set out on pages 4 to 6.

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1 Legal status and business activities

1.1 **M/s. Ashok Leyland (U.A.E.) L.L.C.,** Ras Al Khaimah - United Arab Emirates (the "Parent Entity") was incorporated on December 18, 2006 as a Non Free Zone Limited Liability Company and operates in the United Arab Emirates under Industrial license no. RAKIA 25 IZ3 12 06 0162 issued by the Ras Al Khaimah Economic Zone Authority, Government of Ras Al Khaimah, Ras Al Khaimah - United Arab Emirates.

1.2 The Parent Entity is licensed to engage in motor vehicles engines & parts manufacturing, engine spare parts manufacturing and installing, automobile assembling, vehicles bodies manufacturing, automobile assembling with special specifications and bus assembling.

1.3 The registered address of the Parent Entity is P.O. Box: 31376, Ras Al Khaimah - United Arab Emirates.

1.4 The management and control is vested with Board of Directors.

1.5 M/s. WSY Investment LLC, RAK Economic Zone, Ras Al Khaimah - United Arab Emirates owns 51% of the equity of the Parent Entity and are represented by Mr. Tapas Ranjan Nayak and Mr. Dinesh Kumar (both Indian nationals) to carry out the Group's affairs under their overall guidance.

1.6 These consolidated financial statements also incorporate the operating results of Branch, M/s. Ashok Leyland UAE L.L.C - Dubai Branch, Dubai - United Arab Emirates (Professional license no. 757401) and its subsidiaries (listed in note 1.7).

1.7 The Parent Entity has the following subsidiary over which it exercises effective control:

Sl. No.	Name of the subsidiary and domicile	Date of acquisition	Percentage of shareholding		Percentage of beneficial holding		Principal activities
			2024	2023	**2024**	2023	
1	M/s. Ashok Leyland West Africa SA - Ivory Coast	May 26, 2016	**100%**	100%	**100%**	100%	Marketing and trading of Ashok Leyland brand vehicles and spare parts, service training and after sale services of vehicles.
2	M/s. Ashok Leyland LLC. - Russia	June 08, 2016	**100%**	100%	**100%**	100%	Trading of commercial vehicles, motor vehicle parts, components and accessories and maintenance and repair of motor vehicles.

2 a) Russian military invasion of Ukraine ("the conflict")

The conflict between Russia and Ukraine, along with the subsequent sanctions and embargoes imposed by major world powers, including the US, has had a profound impact on business operations. Regrettably, the Russian subsidiary was unable to carry out its business activities during this period. Given the complexity of the situation, the group have diligently navigated these challenges. As a result, the investment in this subsidiary, along with the full amount of the loan to subsidiary, has already been provided for and disclosed in its standalone financial statements.

b) Impairment of investment and provided for loan of subsidiary

The Group has encountered challenges in optimizing the revenue model for its subsidiary, Ashok Leyland West Africa, which has not justified the investment made. In light of this, the management has acknowledged the necessity to record an impairment for the investment and provided for the entire loan amount on its standalone financial statement. Despite this, business operations in West Africa will be carried at diminished capacity.

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3 Income and deferred tax

On December 09, 2022, the U.A.E. 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 U.A.E. The CT regime is effective from June 01, 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after June 01, 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% CT 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, a rate of 0% will apply to taxable income not exceeding AED 375,000, and a rate of 0% will apply on qualifying income of qualifying free zone entities. Subject to meeting certain conditions to be considered a Qualifying FZ Person ("QFZP"), the Parent Entity may be subject to U.A.E. CT at (i) 0% on Qualifying Income, and (ii) 9% on taxable income that is not Qualifying Income.

The Parent Entity will be subject to CT commencing January 01, 2024.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Parent Entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

4 New standards and amendments

4.1 New standards and amendments applicable as on April 01, 2023

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after April 01, 2023.

- IFRS 17 - *Insurance Contracts* (Including the June 2020 and December 2021 amendments)
- Deferred Tax related to Assets and Liabilities arising from Single Transaction - Amendments to IAS 12, *Income Taxes*
- International Tax Reform (Pillar Two Model Rules) - Amendments to IAS 12, *Income Taxes*
- Disclosure of Accounting Policies - Amendments to IAS 1, *Presentation of Financial Statements and IFRS Practice Statement 2*
- Definition of Accounting Estimates - Amendments to IAS 8, Accounting policies, *Changes in Accounting Estimates and Errors*

The management believes that the adoption of the above amendments effective for the current accounting period has not had any material impact on the recognition, measurement, presentation and disclosure of items in the consolidated financial statements.

4.2 New standards and amendments issued but not effective for the current annual period

The following standards and interpretations had been issued but not yet mandatory for annual reporting periods ending March 31, 2024.

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4 New standards and amendments (continued)

4.2 New standards and amendments issued but not effective for the current annual period (continued)

Description	Effective for annual periods beginning on or after
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	April 01, 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	April 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*	April 01, 2024
IFRS 16 - *Leases* (Amendment - Liability in a Sale and Leaseback)	April 01, 2024
Classification of Liabilities as Current or Non-Current - Amendments to IAS 1, *Presentation of Financial Statements*	April 01, 2024
Non Current Liabilities with Covenants - Amendments to IAS 1, *Presentation of Financial Statements*	April 01, 2024

Management anticipates that these new standards, interpretations and amendments will be adopted in the consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements in the period of initial application.

5 Significant accounting policies

5.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board (IASB) and applicable U.A.E. laws.

Items included in the consolidated financial statements of the foreign subsidiary are measured in the currency used in the economic environment in which the respective subsidiary operates (functional currency). The accompanying consolidated financial statements have been prepared using the Arab Emirates Dirham (AED), the Group's reporting currency, utilizing period-end exchange rates for assets and liabilities and average exchange rates for consolidated statement of income accounts.

5.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies as follows.

Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

The principal accounting policies applied in these consolidated financial statements are set out as follows.

5.3 Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Parent Entity and subsidiaries controlled by the Parent Entity. Control is achieved where the Parent Entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and upto the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those of the other subsidiaries in the Group.

All intra-group transactions, balances, incomes and expenses are eliminated in full on consolidation.

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5 Significant accounting policies (continued)

5.4 Current/non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset as current when it is expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

5.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

5.6 Foreign currency

In preparing the financial statements of the individual subsidiary, the transactions in currencies other than the subsidiary's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Consolidation

On consolidation, the assets and liabilities of the Group's foreign operations are translated into United Arab Emirates Dirham (AED) at exchange rates prevailing on the date of end of each reporting period. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are also translated at exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences are recognised in consolidated statement of other comprehensive income and are presented in the translation reserve in equity. On disposal of overseas subsidiary or when significant influence is lost, the cumulative translation differences are recognised as income or expense in the period in which they are disposed off.

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5 Significant accounting policies (continued)

5.6 Foreign currency (continued)

Foreign exchange differences

Exchange differences on monetary items are recognised in consolidated statement of profit or loss in the period in which they arise except for exchange differences that relate to assets under construction for future productive use. These are included in the cost of those assets when they are regarded as an adjustment to interest costs on foreign currency borrowings. Exchange differences on transactions entered into to hedge certain foreign currency risks and exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation are recognized initially in consolidated statement of other comprehensive income and reclassified from equity to the consolidated statement of profit or loss on disposal of net investment.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Financial assets measured at amortised cost and FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in consolidated statement of profit or loss and other comprehensive income. For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in consolidated statement of profit or loss and other exchange differences are recognised in consolidated statement of other comprehensive income in the investments revaluation reserve. For equity instruments measured at FVTOCI, exchange differences are recognised in consolidated statement of other comprehensive income in the investments revaluation reserve.

5.7 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

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

Depreciation is spread over its useful lives so as to write off the cost of property, plant and equipment using the straight-line method over its useful lives as follows:

	Years
Building	10 - 30
Plant and machinery	21
Equipment	4 - 5
Furniture, fixtures and equipment	2 - 4
Motor vehicles	3 - 10

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately.

The building is being depreciated over the period from when it became available for use up to the end of the lease term.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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5 Significant accounting policies (continued)

5.7 Property, plant and equipment (continued)

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of profit or loss and other comprehensive income.

Capital work-in-progress

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

5.8 Leases

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

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

5.8.1 Group as lessee

The Group applies a single recognition and measurement approach for all leases whereby right-of-use assets and lease liabilities are recognized except for the short-term leases and leases of low-value assets.

Right-of-use assets

The Group recognizes right-of-use assets at the lease commencement date i.e. the date on which the assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of assets comprise the amount of initial lease liabilities recognised, initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and lease payments made at or before the commencement date less any lease incentives received. In addition, the Group also assesses the right-of-use asset for impairment when such indicators exist.

Depreciation is spread over the shorter of lease term and the estimated useful lives of the assets using straight-line method. The shorter of lease term and the estimated useful lives of the right-of-use assets have been listed below:

	Years
Land	30
Building	3

Lease liabilities

At the commencement date, the Group measures lease liabilities at present value of the lease payments that are not paid at that date. The lease payments include fixed payments less any lease incentives receivable, variable lease payments, amount expected to be paid as guaranteed residual value, the exercise price of a purchase option if the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease. The Group uses its incremental borrowing rate if interest rate implicit in the lease is not readily determinable, to measure the present value of lease payments.

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5 Significant accounting policies (continued)

5.8 Leases (continued)

5.8.1 Group as lessee (continued)

Lease liabilities (continued)

Subsequent to initial measurement, the Group remeasures lease by increasing the carrying amount to reflect interest on the lease liabilities and reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount is remeasured if there are modification in lease contracts or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

The Group elects not to recognize right-of-use assets and lease liability for short term lease contracts (i.e. lease period less than or equal to 12 months from the date of commencement) and for low value assets. The Group recognises payments associated with these leases as an expense on a straight-line basis over the lease term.

5.8.2 Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease when all the risks and rewards incidental to the ownership of the underlying asset are not transferred to the lessee. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

5.9 Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount. The reversal of impairment loss is limited so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

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5 Significant accounting policies (continued)

5.10 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

5.10.1 Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI "FVTOCI", or through profit or loss "FVTPL"), and

- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in consolidated statement of profit or loss and other comprehensive income.

Financial assets comprise of cash and cash equivalents, trade and other receivables and due from related parties.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current account with banks.

Trade receivables

Trade receivables balances that are held to collect are subsequently measured at the lower of amortized cost or the present value of estimated future cash flows. The present value of estimated future cash flows is determined through the use of value adjustments for uncollectible amounts. The Group assesses on a forward-looking basis the expected credit losses associated with its trade receivables and adjusts the value to the expected collectible amounts.

Trade receivables are written off when they are deemed uncollectible because of bankruptcy or other forms of receivership of the debtors. The assessment of expected credit losses on trade receivables takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region and other forward-looking information.

Due from related parties

Amounts due from related parties are stated at amortised cost.

Impairment of financial assets

For trade receivables and due from related parties, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

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5 Significant accounting policies (continued)

5.10 Financial instruments (continued)

5.10.2 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, redeemable non-cumulative non- convertible preference shares, due to related parties and loans and borrowings including bank overdrafts.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Due to related parties

Amounts due to related parties are stated at amortised cost.

Loans and other borrowings

Loans and other borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted on accrual basis and are added to the carrying value of the instruments to the extent that they are not settled in the period in which they arise.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss and other comprehensive income.

5.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

5.12 Inventories

Inventories comprise raw materials and consumables, work-in-progress and finished goods. Raw materials and consumables are valued at cost using weighted average basis. Work-in-progress and finished goods are valued at lower of manufacturing cost and net realizable value. Manufacturing cost includes cost of direct materials, direct labour and proportionate share of manufacturing overhead that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

5.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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5 Significant accounting policies (continued)

5.13 Provisions (continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

5.13.1 Provision for product warranty

The product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.

5.13.2 Employee benefits

Retirement benefits costs and termination benefits

Amounts required to cover end of service indemnity at the consolidated statement of financial position date are computed pursuant to the applicable labour law based on the employees' accumulated period of service and current basic remuneration.

In case of group companies operating in foreign jurisdiction, the payments in the form of defined contribution towards pension/social security schemes is made as per the laws and regulations of local jurisdiction in which the group companies operate. These payments are made to the appropriate authority/entity which is managing the funds/schemes. The assets of the funds/schemes managed by the authorities/entities are held separately from that of these group companies and there are no further obligation once the contributions are made.

5.14 Taxation

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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5 Significant accounting policies (continued)

5.14 Taxation (continued)

Deferred tax assets and liabilities (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

5.15 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Sale of goods

Revenue from the sale of goods in normal course of business is recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods to the customer.

The consideration expected by the Group may include fixed or variable amounts which can be impacted by sales returns, trade discounts and volume rebates. Revenue for the sale of goods is recognized when control of the asset is transferred to the buyer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods or services are accounted for separately based on their stand-alone selling prices. Revenue is recorded net of Value Added Tax (VAT). A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For products for which a right of return exists during a defined period, revenue recognition is determined based on the historical pattern of actual returns, or in cases where such information is not available, revenue recognition is postponed until the return period has lapsed.

Rendering of services

Revenue from the service contracts in the normal course of business is recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. Revenue from the rendering of services is recognised at a point in time because none of the following criteria has been met:

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5 Significant accounting policies (continued)

5.15 Revenue recognition (continued)

Rendering of services (continued)

i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

ii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

iii) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised services to the customer. The consideration expected by the Group may include fixed or variable amounts which can be impacted by trade discounts and volume rebates. Revenue for the transfer of services is recognized when control of the asset is transferred to the customer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved. Revenue is recorded net of Value Added Tax (VAT).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

5.15.1 Performance obligations

Information about the Group's performance obligations are summarised below:

Sale of vehicle and spare parts

The performance obligation is satisfied on delivery of vehicles and spare parts or on shipping depending on the contractual terms agreed with the customers.

Inspection services

The performance obligation is satisfied on providing inspection services on vehicles as per the contractual terms agreed with the customers.

5.16 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgements and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described as follows.

Critical judgements in applying accounting policies

In the process of applying the Group's accounting policies, which are described above, and due to the nature of operations, management makes the following judgement that has the most significant effect on the amounts recognised in the consolidated financial statements.

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5 Significant accounting policies (continued)

5.16 Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying accounting policies (continued)

Determining the timing of satisfaction of performance obligations - revenue recognition

In making their judgement, the Group considers the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Group has transferred control of the goods/rendered services to the customer. The management is satisfied that control has been transferred and services have been performed and that recognition of revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision as applicable.

Lease term - the Group as lessee

The Group determines lease term as the non-cancellable period of a lease together with any periods covered with an option to extend or terminate. The management applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease contract. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate it.

Key sources of estimation uncertainty

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

Net realisable value of inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its realizable value, if required, are made for estimated obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues.

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over their estimated useful lives, which are based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the relevant notes to the consolidated financial statements.

Incremental borrowing rate for leases

The Group uses incremental borrowing rate to measure lease liabilities if interest rate implicit in the lease is not readily determinable. Incremental borrowing rate represents the rate of interest that Group would have to pay on funds necessary to obtain a similar asset, on similar term, with a similar security in a similar economic environment. The management estimates incremental borrowing rate using observable inputs and Group specific estimates.

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6 Property, plant and equipment

	Building	Plant and machinery	Equipment	Furniture, fixtures and equipment	Motor vehicles	Capital work-in-progress	Total
Cost							
As at April 01, 2022	68,960,246	18,463,876	2,735,613	5,776,319	2,161,392	9,055	98,106,501
Addition during the year	-	6,079	-	2,465	-	596,070	604,614
Disposals during the year	-	(103,368)	(13,634)	(1,349)	-	-	(118,351)
Foreign exchange difference on translation	(4,838)	(4,872)	(2,413)	(1,036)	(2,660)	-	(15,819)
Transferred from capital work-in-progress	-	351,673	19,120	27,408	206,924	(605,125)	-
As at March 31, 2023	68,955,408	18,713,388	2,738,686	5,803,807	2,365,656	-	98,576,945
Addition during the year	-	-	-	-	-	**2,333,409**	**2,333,409**
Disposals during the year	-	**(56,990)**	**(8,445)**	**(130,065)**	**(283,429)**	-	**(478,929)**
Foreign exchange difference on translation	**(927)**	**(932)**	**(198)**	**(462)**	**(13,814)**	-	**(16,333)**
Transferred from capital work-in-progress	**70,000**	**384,253**	**84,250**	**150,346**	**967,487**	**(1,656,336)**	-
As at March 31, 2024	**69,024,481**	**19,039,719**	**2,814,293**	**5,823,626**	**3,035,900**	**677,073**	**100,415,092**
Accumulated depreciation							
As at April 01, 2022	23,759,319	9,901,148	2,497,355	5,629,081	2,033,645	-	43,820,548
Charge for the year	2,313,620	996,255	190,379	117,613	95,161	-	3,713,028
Foreign exchange difference on translation	(1,402)	(4,437)	(794)	(1,036)	(5,633)	-	(13,302)
Eliminated on disposal during the year	-	(50,941)	(13,449)	(1,349)	-	-	(65,739)
As at March 31, 2023	26,071,537	10,842,025	2,673,491	5,744,309	2,123,173	-	47,454,535
Charge for the year	**2,331,917**	**1,020,550**	**48,724**	**36,705**	**141,349**	-	**3,579,245**
Foreign exchange difference on translation	**(544)**	**(930)**	**(180)**	**(269)**	**(13,814)**	-	**(15,737)**
Adjustments	**2,454**	**(13,543)**	**(19,151)**	**(13,500)**	-	-	**(43,740)**
Eliminated on disposal during the year	-	**(36,597)**	**(8,445)**	**(130,065)**	**(283,429)**	-	**(458,536)**
As at March 31, 2024	**28,405,364**	**11,811,505**	**2,694,439**	**5,637,180**	**1,967,279**	-	**50,515,767**
Carrying value as at March 31, 2024	**40,619,117**	**7,228,214**	**119,854**	**186,446**	**1,068,621**	**677,073**	**49,899,325**
Carrying value as at March 31, 2023	42,883,871	7,871,363	65,195	59,498	242,483	-	51,122,410

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6 Property, plant and equipment (continued)

Notes:

- Breakup of depreciation charged:

	Notes	For the year ended March 31, 2024	2023
Direct costs	24	**3,352,467**	3,500,254
Administrative expenses	27	**226,778**	212,774
		3,579,245	3,713,028

- Building and plant and machinery includes:

AED 87,323,877 are constructed/erected on plots of land under operating lease from M/s. RAK Investment Authority - United Arab Emirates, situated on Plot no. N-176 (phase - 1) and N-176 (phase - 2), located at Al Ghail Industrial Area, Ras Al Khaimah - United Arab Emirates.

AED 344,919 are constructed/erected on plots of land under operating lease from Novaplast, situated in Abidjan-Vridi, Industrial Zone, Lot No. 2-ZI-094-422 Bis, 15 BP 304 Abidjan 15, registered in the Trade and Personal Property Credit Register under number CI-ABJ-2016-B-14042.

The movable assets are hypothecated against bank facilities (note 22).

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7	**Right-of-use assets**	Land and building
	Cost	
	As at April 01, 2022	7,100,960
	Foreign exchange difference on translation	(20,234)
	As at March 31, 2023	7,080,726
	Foreign exchange difference on translation	**(3,874)**
	As at March 31, 2024	**7,076,852**
	Accumulated depreciation	
	As at April 01, 2022	1,442,371
	Charge for the year (note 24)	561,191
	Foreign exchange difference on translation	(1,811)
	As at March 31, 2023	2,001,751
	Charge for the year (note 24)	**396,294**
	Foreign exchange difference on translation	**(3,622)**
	As at March 31, 2024	**2,394,423**
	Carrying value as at March 31, 2024	**4,682,429**
	Carrying value as at March 31, 2023	5,078,975

The Group has leased 2 plots of land under operating lease from M/s. RAK Investment Authority - United Arab Emirates, situated on Plot no. N-176 (phase - 1) and N-176 (phase - 2), located at Al Ghail Industrial Area, Ras Al Khaimah - United Arab Emirates, for a period of 30 years ending on December 31, 2036 and December 31, 2038, respectively. The lease agreement provides for graduated rent payments and landlord concessions (i.e. rent free period). The right-of-use assets are amortized over the lease term on straight-line basis.

8 Taxation

a) Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the consolidated statement of financial position as follows:

	2024	2023
Deferred tax asset	-	1,522,494
Reconciliation of deferred tax asset		
Balance at the beginning of the year	**1,522,494**	1,888,292
(Decrease)/increase in tax loss available for setting off against future taxable income	**(1,522,494)**	(365,798)
Balance at the end of the year	-	1,522,494

b) Current tax

	For the year ended March 31,	
Deferred	**2024**	2023
Originating and reversing temporary differences	-	(365,798)
Reconciliation between accounting profit and tax expense		
Accounting loss	**847,721**	1,555,827
Tax at the applicable tax of 20%	-	311,165
Prior year adjustment	**18,268**	-
Deferred tax reversed for prior years	**1,522,494**	(676,963)
Tax effect of adjustments on taxable income		
Permanent differences	-	-
	-	(365,798)

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8 Taxation (continued)

b) Current tax (continued)

Recognition of deferred tax asset

A Group shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the Group has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

9 Related party transactions

The Group enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related Party Disclosures. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges, if applicable.

	2024	2023
a) Due from related parties		
Entities under common management and control		
M/s. Switch Mobility Ltd. - United Kingdom	-	27,745
M/s. Ashok Leyland Limited, Dubai - United Arab Emirates	**893,892**	112,975
	893,892	140,720
b) Due to related parties		
Shareholder		
M/s. Ashok Leyland Limited - India	**75,248,848**	19,808,627
Entities under common management and control		
M/s. Ashok Leyland Defence Systems - India	**2,624,556**	-
M/s. Gulf RAK Oil L.L.C., Ras Al Khaimah - United Arab Emirates	**221,033**	161,016
	78,094,437	19,969,643

c) Transactions with related parties

The nature of significant related party transactions and the amounts involved were as follows:

	For the year ended March 31,	
Parent Entity	**2024**	2023
Purchases	**336,107,371**	235,072,604
Entities under common management and control		
Sales	**2,261,658**	3,000,734
Interest paid on preference shares (note 28)	**1,380,000**	1,380,000

The Parent Entity provides/receives funds to/from related parties as and when required as working capital facilities.

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		2024	2023
10	**Inventories**		
	Raw materials and consumables	**87,134,110**	65,582,670
	Work-in-progress	**4,636,208**	8,242,352
	Finished goods	**30,980,426**	22,996,143
		122,750,744	96,821,165
	Less: Allowance for slow moving inventories	**(4,001,847)**	(3,853,145)
		118,748,897	92,968,020
	Goods-in-transit	**63,920,919**	15,165,491
		182,669,816	108,133,511
	Movement in allowance for slow moving inventories as at the reporting date is as follows:		
	Balance at the beginning of the year	**3,853,145**	4,135,098
	Add: Charge during the year (note 27)	**148,702**	393,964
	Less: Written off during the year	**-**	(675,917)
	Balance at the end of the year	**4,001,847**	3,853,145

The above inventories are assigned against bank borrowings (note 22).

11	**Trade receivables**		
	Trade receivables	**88,511,928**	51,372,323
	Less: Allowance for expected credit loss	**(591,475)**	(591,501)
		87,920,453	50,780,822

The average credit period for the trade receivables is 60 days (2023: 60 days). Provisions are based on the estimated irrecoverable amounts determined by reference to past default experience.

Of the trade receivables as at March 31, 2024, there are 5 customers (2023: 5 customers) representing 99% (2023: 98%) of the total trade receivables.

	2024	2023
Ageing of trade receivables that are neither past nor due:		
1 - 60 days	**72,864,260**	50,421,917
Ageing of trade receivables that are past due:		
1 - 180 days	**14,990,008**	290,341
181 - 365 days	**282,172**	660,065
366 days and above	**375,488**	-
	88,511,928	51,372,323

The above trade receivables are assigned against bank facilities granted (note 22).

Impairment of trade receivables:

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. In determining the impairment loss on trade receivables, the Group recognises a loss allowance based on lifetime expected credit losses at each reporting date. The management has established a provision matrix that is based on its historic credit loss experience, adjusted for forward-looking information specific to the debtor and the overall economic environment.

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		2024	2023
11	**Trade receivables (continued)**		
	Impairment of trade receivables (continued):		
	Expected credit loss rate	**0.67%**	1.15%
	Estimated total gross carrying amount at default	**88,511,928**	51,372,323
	Amount not past due	**72,864,260**	50,421,917
	Lifetime expected credit loss	**591,475**	591,501
	Net carrying amount	**87,920,453**	50,780,822
	The movements in the allowance for expected credit loss as at reporting date are as follows:		
	Balance at the beginning of the year	**591,501**	591,634
	Exchange difference	**(26)**	(133)
	Balance at the end of the year	**591,475**	591,501
	Geographical analysis:		
	The geographical analysis of trade receivables are as follows:		
	Within U.A.E.	**20,446,038**	25,971,460
	Within other G.C.C. countries	**53,995,401**	24,774,487
	Others	**14,070,489**	626,376
		88,511,928	51,372,323
12	**Advances, deposits and other receivables**		
	Prepayments	**1,506,334**	533,036
	Deposits	**477,249**	487,537
	Advances to suppliers	**806,084**	1,030,078
	VAT receivables - net	**433,866**	-
	Other receivables*	**10,795,248**	13,190,746
		14,018,781	15,241,397
	Comprising:		
	Current portion	**10,044,910**	11,266,026
	Non-current portion	**3,973,871**	3,975,371
		14,018,781	15,241,397

*This includes AED 3,530,700 (2023: AED 6,829,145) deposited with Federal Tax Authority (FTA) against demand. The court has given the judgement in favour of the Parent Entity and has ordered FTA to refund the amount and is currently available in Parent Entity's wallet with FTA.

13	**Cash and bank balances**		
	Cash in hand	**20,019**	3,006
	Cash at banks	**2,180,966**	907,177
	e-Dirham	**-**	69
		2,200,985	910,252

Management has concluded that the Expected Credit Loss (ECL) for all bank balances is immaterial as these balances are held with banks/financial institutions whose credit risk rating by international rating agencies has been assessed as low.

14 Share capital

Authorised, issued and paid up capital of the Parent Entity is AED 96,000,000 comprising:

- equity share capital of AED 73,000,000 divided into 73,000 fully paid up shares of AED 1,000 each.

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14 Share capital (continued)

- Redeemable non-cumulative non-convertible preference shares of AED 23,000,000 divided into 23,000 fully paid up shares of AED 1,000 each (note 17).

The details of the shareholding as at the reporting date are as follows:

Name of shareholders	Domicile	Percentage	No. of shares	2024	2023
M/s. WSY Investment LLC *(Represented by Mr. Tapas Ranjan Nayak and Mr. Dinesh Kumar)*	U.A.E.	51	37,230	**37,230,000**	37,230,000
M/s. Ashok Leyland Limited *(Represented by Mr. Dinesh Kumar)*	India	49	35,770	**35,770,000**	35,770,000
		100	73,000	**73,000,000**	73,000,000

15 Statutory reserve

	2024	2023
Balance at the beginning of the year	**3,716,157**	3,472,789
Add: Transferred from net profits (note 16)	**427,364**	243,368
Balance at the end of the year	**4,143,521**	3,716,157

According to the Memorandum of Association of the Parent Entity and U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, 5% of annual net profits is allocated to the statutory reserve. The transfer to statutory reserve may be suspended, when the reserve reaches 50% of the paid up capital. This reserve is not available for distribution.

16 Accumulated (losses)

	2024	2023
Balance at the beginning of the year	**(61,025,031)**	(74,839,911)
Profit for the year	**24,093,572**	14,058,248
Transferred to statutory reserve (note 15)	**(427,364)**	(243,368)
Balance at the end of the year	**(37,358,823)**	(61,025,031)

17 Redeemable non-cumulative non-convertible preference shares

On March 31, 2019, the Group issued 23,000 (2023: 23,000) redeemable non-cumulative non-convertible preference shares of AED 1,000 each which are redeemable at par within 10 years from the date of issue and carry non-cumulative dividend @ 6% p.a. These redeemable preference shares do not carry right to vote.

The details of the shareholding as at the reporting date are as follows:

Name of shareholder	Domicile	Percentage	No. of shares	2024	2023
M/s. Ashok Leyland Limited *(Represented by Mr. Dinesh Kumar)*	India	100	23,000	**23,000,000**	23,000,000

18 Employees' end of service benefits

	2024	2023
Balance at the beginning of the year	**4,308,729**	3,869,413
Add: Charge for the year	**1,264,032**	889,953
Less: Paid during the year	**(381,388)**	(450,637)
Balance at the end of the year	**5,191,373**	4,308,729

Amounts required to cover end of service indemnity at the consolidated statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting period.

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		2024	2023
19	**Lease liabilities**		
	Balance at the beginning of the year	**11,745,258**	12,281,049
	Add: Interest charged during the year (note 28)	**411,684**	431,986
	Less: Payments during the year	**(824,221)**	(948,530)
	Foreign exchange difference on translation	**-**	(19,248)
	Balance at the end of the year	**11,332,721**	11,745,258
	Comprising:		
	Current portion	**506,793**	412,537
	Non-current portion	**10,825,928**	11,332,721
		11,332,721	11,745,258

The above represents present value of lease payments of leased assets (land situated at Plot no. N-176 (phase - 1) and N-176 (phase - 2), located at Al Ghail Industrial Area, Ras Al Khaimah - United Arab Emirates) discounted at the rate 3.5% p.a. and are repayable by December 31, 2036 and December 31, 2038, respectively (maturity profile).

The lease payments against the same are discounted at the rate of 4.5% p.a. and are repayable by June 30, 2023.

Maturity profile of lease payments - contractual undiscounted cash flows:

March 31, 2024	**Within 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Lease payments - undiscounted	**903,438**	**3,671,113**	**10,120,434**	**14,694,985**
Less: Finance charges	**(396,645)**	**(1,402,886)**	**(1,562,733)**	**(3,362,264)**
Net present value	**506,793**	**2,268,227**	**8,557,701**	**11,332,721**
March 31, 2023				
Lease payments - undiscounted	824,249	3,613,752	11,081,482	15,519,483
Less: Finance charges	(411,712)	(1,477,649)	(1,884,864)	(3,774,225)
Net present value	412,537	2,136,103	9,196,618	11,745,258

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income:	**For the year ended March 31, 2024**	2023
Interest on lease liabilities (note 28)	**411,684**	431,986
Depreciation expense (notes 7 & 24)	**396,294**	561,191
Payments not included in the measurement of the lease liabilities:		
Expenses related to short term leases	**227,675**	135,037
Net impact for the year	**1,035,653**	1,128,214
Amounts recognised in the consolidated statement of cash flows:		
Total cash outflows for leases	**824,221**	948,530

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		2024	2023
20	**Trade and other payables**		
	Trade payables*	**61,656,252**	45,560,805
	Provisions and accruals	**35,637,167**	22,282,013
	Other payables	**556,450**	531,616
		97,849,869	68,374,434

* Trade payables include balances amounting to AED 20,786,508 (2023: Nil) under supplier financing arrangement ("the Financing Arrangement without recourse on company") of which AED 20,400,785 (2023: Nil) have been paid by the finance provider to the suppliers

21	**Contract liabilities**		
	Advance from customers	**1,477,156**	129,688
22	**Bank borrowings**		
	a) Due to banks		
	Bank overdrafts	**18,454,142**	23,357,012
	Trust receipts	**29,141,379**	28,391,442
	Short term loan	**36,725,000**	36,725,000
		84,320,521	88,473,454

Bank borrowings are secured by:

- Letter of awareness/comfort by M/s. Ashok Leyland Limited - India.
- Assignment of trade receivables (note 11).
- Charge over movable assets and inventories (notes 6 & 10).
- Assignment of all risk insurance policies covering inventories.

Bank borrowings - current portion

Due to banks	(refer a)	**84,320,521**	88,473,454

		For the year ended March 31,	
		2024	2023
23	**Revenue**		
	Revenue from contracts with customers	**739,301,517**	669,022,629

23.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers.

Segments		
Commercial vehicles	**734,512,367**	659,849,953
Spare parts and others	**4,789,150**	8,678,844
Inspection services	**-**	493,832
Total revenue from contracts with customers	**739,301,517**	669,022,629

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		For the year ended March 31,	
23	**Revenue (continued)**	**2024**	2023
	23.1 Disaggregated revenue information (continued)		
	Geographical markets		
	Within U.A.E.	**371,129,764**	454,060,754
	Within other G.C.C. countries	**344,833,349**	202,591,377
	Others	**23,338,404**	12,370,498
	Total revenue from contracts with customers	**739,301,517**	669,022,629
	Timing of revenue recognition		
	Goods transferred at a point in time	**739,301,517**	668,528,797
	Services transferred at a point in time	-	493,832
	Total revenue from contracts with customers	**739,301,517**	669,022,629

	23.2 Contract balances	**2024**	2023
	Trade receivables (note 11)	**87,920,453**	50,780,822
	Contract liabilities (note 21)	**1,477,156**	129,688

		For the year ended March 31,	
		2024	2023
24	**Direct costs**		
	Balance at the beginning of the year - raw materials and consumables	**65,582,670**	36,058,274
	Add: Purchases (including direct cost)	**629,553,236**	616,871,392
	Less: Balance at the end of the year - raw materials and consumables (note 10)	**(87,134,110)**	(65,582,670)
	Raw material consumed	**608,001,796**	587,346,996
	Direct wages and benefits	**16,305,460**	15,221,527
	Depreciation on property, plant and equipment (note 6)	**3,352,467**	3,500,254
	Depreciation on right-of-use assets (note 7)	**396,294**	561,191
	Other direct expenses	**3,638,729**	3,579,272
	Manufacturing cost	**631,694,746**	610,209,240
	Balance at the beginning of the year - work-in-progress	**8,242,352**	7,706,244
	Less: Balance at the end of the year - work-in-progress (note 10)	**(4,636,208)**	(8,242,352)
	Cost of goods manufactured	**635,300,890**	609,673,132
	Balance at the beginning of the year - finished goods	**22,996,143**	4,292,794
	Less: Balance at the end of the year - finished goods (note 10)	**(30,980,426)**	(22,996,143)
		627,316,607	590,969,783

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		For the year ended March 31,	
		2024	2023
25	**Other income**		
	Gain on disposal of property, plant and equipment	**155,741**	-
	Foreign currency exchange gain - net	**543**	3,331
	Other income	**720,644**	1,868,073
		876,928	1,871,404
26	**Selling and distribution expenses**		
	Advertisement and business promotion	**34,976,492**	26,770,620
	Warranty	**3,779,145**	3,828,302
	Delivery charges	**15,882,615**	5,446,010
		54,638,252	36,044,932
27	**Administrative expenses**		
	Salaries and related benefits	**14,093,947**	15,159,103
	Rent	**227,675**	135,037
	Legal, visa, professional and related expenses	**1,233,704**	875,836
	Printing and stationery	**22,734**	26,129
	Travelling expenses	**670,227**	416,395
	Utilities	**877,007**	848,050
	Telephone and communications	**216,512**	217,298
	Repairs and maintenance	**1,203,188**	853,323
	Allowance for slow moving inventories (note 10)	**148,702**	393,964
	Bad debts written off	**109,115**	-
	Loss on disposal of property, plant and equipment	-	52,612
	Insurance	**191,862**	139,011
	Depreciation on property, plant and equipment (note 6)	**226,778**	212,774
	Bank charges	**293,949**	317,664
	Others	**181,287**	300,681
		19,696,687	19,947,877
28	**Finance costs**		
	Interest on lease liabilities (note 19)	**411,684**	431,986
	Interest expenses	**11,100,881**	7,695,409
	Interest on preference shares (note 9c)	**1,380,000**	1,380,000
		12,892,565	9,507,395

29 Financial instruments

a) *Significant accounting policies*

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 5 to the consolidated financial statements.

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29 Financial instruments (continued)

b) *Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis.*

	As at March 31,		As at March 31,	
	2024	2023	**2024**	2023
Financial assets	**Carrying amount**		**Fair value**	
Due from related parties	**893,892**	140,720	**893,892**	140,720
Trade receivables	**87,920,453**	50,780,822	**87,920,453**	50,780,822
Other receivables	**11,706,363**	13,678,283	**11,706,363**	13,678,283
Cash and bank balances	**2,200,985**	910,252	**2,200,985**	910,252
	102,721,693	65,510,077	**102,721,693**	65,510,077
Financial liabilities				
Redeemable non-cumulative non-convertible preference shares	**23,000,000**	23,000,000	**23,000,000**	23,000,000
Lease liabilities	**11,332,721**	11,745,258	**11,332,721**	11,745,258
Trade and other payables	**97,849,869**	68,374,434	**97,849,869**	68,374,434
Due to related parties	**78,094,437**	19,969,643	**78,094,437**	19,969,643
Bank borrowings	**84,320,521**	88,473,454	**84,320,521**	88,473,454
	294,597,548	211,562,789	**294,597,548**	211,562,789

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of due from related parties, trade receivables, other receivables and cash and bank balances. Financial liabilities consist of trade and other payables, due to related parties, lease liabilities, redeemable non-cumulative non-convertible preference shares and bank borrowings.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

As at the reporting date, financial assets and financial liabilities approximate their carrying values.

c) *Valuation premise for financial instruments that are not measured at fair value on recurring basis.*

The following methods and assumptions were used to estimate the fair values:

Receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at reporting date, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The fair value of other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

30 Financial risk management objectives

The Group management set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Group. The Group policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

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30 Financial risk management objectives (continued)

a) *Foreign currency risk management*

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The Group faces substantial exchange rate risks on financial assets and financial liabilities which are denominated in West African CFA Franc and Russian Ruble to which Arab Emirates Dirham (AED) is not fixed.

The carrying amounts of the Group's monetary assets and liabilities denominated in foreign currencies other than Arab Emirates Dirham (AED) or currencies to which the Arab Emirates Dirham is fixed are as follows:

	Equivalent to AED		Equivalent to AED	
	As at March 31, 2024		As at March 31, 2023	
	CFA Franc	**Ruble**	CFA Franc	Ruble
Total assets	**627,626**	**12,387**	4,857,512	205,632
Total liabilities	**(563,099)**	**(7,955)**	(170,699)	(49,085)

Foreign currency sensitivity analysis:

The following table details the Group's sensitivity to a 10% increase or decrease in the functional currency against the relevant foreign currencies. 10% is the sensitivity rate used for reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive or negative number below indicates an increase or decrease in profit or loss where the functional currency weakens 10% against the relevant currency. For a 10% strengthening of the functional currency against the relevant currency, there would be an equal and opposite impact on the profit or loss, and the balances below would be negative.

	Equivalent to AED	
	Profit or loss	
	2024	2023
West African CFA Franc	**6,453**	468,681
Russian Ruble	**443**	15,655

b) *Interest rate risk management*

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. Interest on financial instruments having floating rates is re-priced at intervals of less than one year and interest on financial instruments having fixed rate is fixed until the maturity of the instrument.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used for reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If interest rates had been 50 basis points higher/(lower) and all other variables were held constant, the Group's profit for the year then ended would (decrease)/increase by AED 421,603 (2023: ((increase)/decrease by AED 442,367).

c) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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30 Financial risk management objectives (continued)

c) *Liquidity risk management (continued)*

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and equity from shareholders through their current accounts or loans.

Liquidity and interest risk table:

The table below summarises the maturity profile of the Group's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the consolidated statement of financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the consolidated statement of financial position date based on contractual repayment arrangements were shown as follows:

	Interest bearing			Non Interest bearing			
Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	Total
				As at March 31, 2024			
Financial assets							
Due from related parties	-	-	-	-	**893,892**	-	**893,892**
Trade receivables	-	-	-	-	**87,920,453**	-	**87,920,453**
Other receivables	-	-	-	-	**7,732,492**	**3,973,871**	**11,706,363**
Cash and bank balances	-	-	-	**2,200,985**	-	-	**2,200,985**
	-	-	-	**2,200,985**	**96,546,837**	**3,973,871**	**102,721,693**
Financial liabilities							
Redeemable non-cumulative non-convertible preference shares	-	-	**23,000,000**	-	-	-	**23,000,000**
Lease liabilities	-	**506,793**	**10,825,928**	-	-	-	**11,332,721**
Trade and other payables	-	-	-	-	**97,849,869**	-	**97,849,869**
Due to related parties	-	-	-	-	**78,094,437**	-	**78,094,437**
Bank borrowings	**18,454,142**	**65,866,379**	-	-	-	-	**84,320,521**
	18,454,142	**66,373,172**	**33,825,928**	-	**175,944,306**	-	**294,597,548**
				As at March 31, 2023			
Financial assets							
Due from related parties	-	-	-	-	140,720	-	140,720
Trade receivables	-	-	-	-	50,780,822	-	50,780,822
Other receivables	-	-	-	-	9,702,912	3,975,371	13,678,283
Cash and bank balances	-	-	-	910,252	-	-	910,252
	-	-	-	910,252	60,624,454	3,975,371	65,510,077

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30 Financial risk management objectives (continued)

c) *Liquidity risk management (continued)*

Liquidity and interest risk table (continued)

	Interest bearing			Non Interest bearing			
Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	Total
	As at March 31, 2023						
Financial liabilities							
Redeemable non-cumulative non-convertible preference shares	-	-	23,000,000	-	-	-	23,000,000
Lease liabilities	-	412,537	11,332,721	-	-	-	11,745,258
Trade and other payables	-	-	-	-	68,374,434	-	68,374,434
Due to related parties	-	-	-	-	19,969,643	-	19,969,643
Bank borrowings	23,357,012	65,116,442	-	-	-	-	88,473,454
	23,357,012	65,528,979	34,332,721	-	88,344,077	-	211,562,789

d) *Credit risk management*

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure are continuously monitored and their credit exposure is reviewed by the management regularly and the Group applies simplified approach under IFRS 9 to measure lifetime expected credit loss allowance on all of its trade receivables.

Trade receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables. Further details of credit risks on trade and other receivables are disclosed in notes 11 & 12 to the consolidated financial statements.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the consolidated financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risks.

31 Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the equity balance. The Group's overall strategy remains unchanged from prior year. The Group is not subject to any externally imposed capital requirements.

The capital structure of the Group consists of equity comprising issued capital, reserves, and accumulated (losses) as disclosed in the consolidated financial statements.

32 Contingent liabilities

	As at March 31,	
	2024	2023
Letters of credit	9,130,000	-

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known contingent liability on Group's consolidated financial statements as of reporting date.

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		As at March 31,	
33	**Commitments**	**2024**	2023
	Commitments for the purchase of property, plant and equipment	**224,546**	11,944

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known commitment on Group's consolidated financial statements as of reporting date.

34 Reclassification

Certain figures for the previous year were regrouped/reclassified, wherever necessary, to conform to current year's presentation. However, such reclassifications do not have any impact on the Group's previously reported financial result or equity.

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