Weavers India General Trading (L.L.C.)

Dubai, United Arab Emirates.

Auditor's report and financial statements

For the six months ended September 30, 2021

Weavers India General Trading (L.L.C.)
Dubai, United Arab Emirates.

Auditor's report and financial statements for the six months ended September 30, 2021

	Pages
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Comprehensive Income	3
Statement of Changes in Shareholders' Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-16

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

M/s. Weavers India General Trading (L.L.C.)

Dubai, United Arab Emirates.

Introduction:

We have reviewed the accompanying interim financial statements of M/s. Weavers India General Trading (L.L.C.), Dubai -United Arab Emirates ("the Entity"), which comprise the statement of financial position as at September 30, 2021, the statement of other comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the six months from April 01, 2021 to September 30, 2021.

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34: *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review:

We conducted our review in accordance with International Standards on Review Engagement 2410: *Review of interim financial information performed by the independent auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Axis Line International Auditors and Accountants

Axis Line International

P.O. Box: 11061
Dubai - U.A.E.
AXIS LINE INTERNATIONAL AUDITORS & ACCOUNTANTS

Ali Mohammed Khalifa Almuwaijei Alshamsi
Registration No. 642
Dubai-United Arab Emirates
October 07, 2021

Weavers India General Trading (L.L.C.)
Dubai, United Arab Emirates.

Statement of financial position as at September 30, 2021

	Notes	30-Sep-21
		AED
ASSETS		
Non-current assets		
Property, plant and equipment	3	111,622
Total non current assets		111,622
Current assets:		
Inventories	4	550,875
Deposits, prepayments and other receivables	5	106,344
Cash and cash equivalents	6	1,579,616
Total current assets		2,236,835
Total assets		2,348,457
EQUITY AND LIABILITIES		
Equity:		
Share capital	7	300,000
Statutory reserve	8	150,000
Retained earnings	9	1,044,335
Total equity		1,494,335
Non-current liabilities:		
Employees' end of service benefits	10	27,369
Total non-current liabilities		27,369
Current liabilities:		
Trade payables	11	209,049
Accruals and other payables	12	617,704
Total current liabilities		826,753
Total liabilities		854,122
Total equity and liabilities		2,348,457

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

These financial statements were approved and authorised for issue on October 07, 2021 and signed on behalf of the Entity by:

Manager
Weavers India General Trading (L.L.C.)

P.O. Box 117597
Dubai - U.A.E
Proposed Signature
WEAVERS INDIA GENERAL TRADING (L.L.C)

Weavers India General Trading (L.L.C.)
Dubai, United Arab Emirates.

Statement of comprehensive income for the six months ended September 30, 2021

	Notes	01.04.21 to 30.09.21 AED
Revenue	14	1,310,931
Cost of sales	15	(468,621)
Gross profit		842,310
Other income		26
Administrative and other expenses	16	(603,035)
Selling and distribution cost	17	(12,083)
Net profit/(loss)		227,218

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

These financial statements were approved and authorised for issue on October 07, 2021 and signed on behalf of the Entity by:

P.O. Box 117597
Dubai - U.A.E.
Authorised Signature

WEAVERS INDIA GENERAL TRADING (L.L.C)

Manager
Weavers India General Trading (L.L.C.)

Weavers India General Trading (L.L.C.)
Dubai, United Arab Emirates.

Statement of changes in shareholders' equity for the six months ended September 30, 2021

	Share capital	Statutory reserve	Retained earnings	Total equity
	AED	AED	AED	AED
Balance as at April 01, 2021	300,000	150,000	817,117	1,267,117
Profit for the period	-	-	227,218	227,218
Balance as at September 30, 2021	**300,000**	**150,000**	**1,044,335**	**1,494,335**

Weavers India General Trading (L.L.C.)
Dubai, United Arab Emirates.

Statement of cash flows for the six months ended September 30, 2021

	01.04.21 to 30.09.21 AED
OPERATING ACTIVITIES:	
Net profit/(loss)	227,218
Adjustments for:	
Depreciation on property, plant and equipment	28,495
Provision for employees' end of service benefits	3,091
Cash flows from operating activities before working capital changes	258,804
(Increase) / decrease in inventories	(134,031)
(Increase)/decrease in deposits, prepayments and other receivables	(34,037)
Increase / (decrease) in trade payables	85,653
Increase / (decrease) in accruals and other payables	103,214
Cash generated from operations:	279,603
Employees' end-of-services benefits paid/reversed	(3,535)
Net cash from operating activities	276,068
INVESTING ACTIVITIES:	
Purchase of property, plant and equipment	(10,594)
Net cash (used in) investing activities	(10,594)
FINANCING ACTIVITIES:	
Net cash from/(used in) financing activities	-
Net increase in cash and cash equivalents	265,474
Cash and cash equivalents, beginning of the year/period	1,314,142
Cash and cash equivalents, end of the year /period	1,579,616
Cash and cash equivalents	
Cash in hand	6,466
Cash at banks	1,573,150
	1,579,616

1 Legal status and business activity:

1.1. **Weavers India General Trading (L.L.C.), Dubai – United Arab Emirates ("the Entity")** was incorporated on December 5, 2004 and operates as a Limited Liability Company (L.L.C.) in the United Arab Emirates under a commercial license issued by the Department of Economic Development of the Government of Dubai.

1.2. The principal activity of the Entity is General Trading.

1.3. The registered office of the Entity is located at Dubai, P.O. Box No. 117597, United Arab Emirates.

1.4. The management and control of the Entity is vested with Mr. Mukesh Kumar Chauhan.

1.5. These financial statements incorporate the operating results of the Entity with commercial license No. 563470.

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2 Summary of significant accounting policies:

Basis of preparation:

The interim financial information has been prepared in accordance with IAS34: *Interim financial reporting* issued by the International Accounting Standards Board (IASB) and applicable requirements of the U.A.E. Law. A summary of the significant accounting policies, which have been applied consistently, are set out below:

a) Accounting convention

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

b) Property, plant and equipment

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

	Years
Furniture & fixtures	3 - 5
Office equipment	3
Computer & software	3

c) Impairment of assets

Property, plant and equipment are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income.

d) Employees' terminal benefits.

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

2 Summary of significant accounting policies (continued):

e) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers goods or renders service to a customer.

Revenue is recognised in accordance with that core principle by applying a 5-step model as shown below;

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/ as performance obligation(s) are satisfied.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The consideration expected by the Company may include fixed or variable amounts which can be impacted by sales returns, discounts and 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.

Revenue for service income is recognised when the services have been rendered, and there is no unfulfilled obligation that could affect the customer's acceptance of the services.

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 sales where 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.

2 Summary of significant accounting policies (continued):

f) Provisions

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

g) Employees' terminal benefits

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

These are accounted for as required by the U.A.E Federal Law No. (2) of 2015.

h) Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the financial statement date. Gains and losses arising are included in the statement of comprehensive income. Non-monetary items that are measured in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

i) Financial instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the entity's statement of financial position when the entity has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

Trade receivables

Revenue made on credit are included in trade receivables at the statement of financial position date, and reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as they arise.

Trade payables

Trade payables are stated at their nominal value.

2 Summary of significant accounting policies (continued):

j) Inventories

Inventories are stated at the lower of cost and net realisable value using weighted average method. Costs comprise direct materials and, where applicable, direct labour costs and the overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to disposal.

k) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, balance with bank and deposits with banks, within a maturity date of three months or less from the date of deposit, free of encumbrances.

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3 Property, plant and equipment

	Computer & Softwares AED	Furniture & Fixture AED	Office Equipment AED	Total AED
Cost				
As at April 01, 2021	40,330	553,598	123,247	717,175
Additions for the period	-	6,450	4,144	10,594
As at September 30, 2021	**40,330**	**560,048**	**127,391**	**727,769**
Accumulated depreciation				
As at April 01, 2021	40,330	432,330	114,992	587,652
Charge for the period	-	25,242	3,253	28,495
As at September 30, 2021	**40,330**	**457,572**	**118,245**	**616,147**
Carrying value as at September 30, 2021	**-**	**102,476**	**9,146**	**111,622**

4 Inventories

	30-Sep-21
	AED
Stock in trade	550,875
	550,875

5 Deposits, prepayments and other receivables

	30-Sep-21
	AED
Deposits	9,042
Prepayments and advances	97,302
	106,344

6 Cash and cash equivalents

	30-Sep-21
	AED
Cash in hand	6,466
Cash at banks	1,573,150
	1,579,616

7 Share capital

Authorised, issued and paid up capital of the Entity is AED 300,000, divided into 300 shares of AED 1,000 each, fully paid.

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

Name of Shareholder	Percentage	No of shares	30-Sep-21
			AED
Ali Ismail Mohammad, UAE National	51%	153	153,000
Fab India International PTE. Ltd., Singapore	49%	147	147,000
	100%	300	300,000

8 Statutory reserve

	30-Sep-21
	AED
Balance at the beginning of the period	150,000
Balance at the end of the period	150,000

According to the Articles of Association of the Entity and Article 103 of the UAE Federal Commercial Companies Law No. 2 of 2015 (as amended), 10% 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.

9 Retained earnings

	30-Sep-21
	AED
Balance at the beginning of the period	817,117
Profit for the period	227,218
Balance at the end of the period	1,044,335

10 Employees' end of service benefits

	30-Sep-21
	AED
Balance at the beginning of the period	27,813
Charge for the period	3,091
Paid during the period	(3,535)
Balance at the end of the period	27,369

Amounts required to cover end of service indemnity at the 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.

11 Trade payables

	30-Sep-21
	AED
Accounts payables (Note 13)	209,049
	209,049

12 Accruals and other payables

	30-Sep-21
	AED
Accruals	5,085
Professional fees payable	6,300
VAT payables	31,980
Other payables (Note 13)	574,339
	617,704

13 Related party transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions (except revenue related transactions) with third parties. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

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

Due to related parties

	30-Sep-21
	AED
Included under trade payables (Note 11):	
Fab India Overseas Pvt. Ltd., India	208,692
Included under accruals and other payables (Note 12):	
Ali Ismail Mohammad-UAE National, Shareholder	555,069
	763,761

The details of significant related parties transactions are give below;

Purchases from Fab India Overseas Pvt. Ltd., India	560,295
Sponsorship fee to Ali Ismail Mohammad-UAE National	98,229

14 Revenue

	01.04.21 to 30.09.21 AED
Sale of goods	1,376,581
Sales return	(65,650)
	1,310,931

15 Cost of sales

	01.04.21 to 30.09.21 AED
Inventories at the beginning of the period	416,844
Purchases during the period (including direct expenses)	602,652
Available for sale	1,019,496
Less: Inventories at the end of the period	(550,875)
	468,621

16 Administrative and other expenses

	01.04.21 to 30.09.21 AED
Salaries and related benefits	149,418
Rent	189,381
Bank charges	29,800
Communication and utilities	28,024
Legal, visa and taxes	17,812
Forex loss	193
Sponsorship fees	98,229
Repairs and maintenance	11,830
Insurance	5,484
Depreciation (Note 3)	28,495
Professional fees	36,000
Miscellaneous	8,369
	603,035

17 Selling and distribution cost

	01.04.21 to 30.09.21 AED
Advertisement and marketing	12,083
	12,083

18 Financial instruments:

Financial instruments of the Entity comprises cash in hand, cash at bank, deposits and prepayment and other payables.

Credit Risk:

Financial assets which may potentially expose the Entity to concentration of credit risk comprise principally bank account and deposits and prepayments. The Enity's bank account is placed with high credit quality financial institution.

Deposits and prepayments are stated net of allowance for doubtful recoveries.

Fair values:

At the statement of financial position date, the fair values of the financial assets and liabilities, approximate to their carrying amounts.

19 Contingent liabilities:

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no known contingent liability on the Entity's account, as of statement of financial position date.

End of report