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

Dubai, United Arab Emirates.

Auditor's Report and Financial Statements

For the year ended March 31, 2021

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

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For the year ended March 31, 2021

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INDEPENDENT AUDITOR'S REPORT

M/s. Weavers India General Trading (L.L.C.)
Dubai-United Arab Emirates

Report on the audit of the financial statements:

Opinion:

We have audited the 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 March 31, 2021, the statement of other comprehensive income, statement of changes in shareholder's equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 financial statements section of our report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Entity's financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities requirements in accordance with these requirements and IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the management for the financial statements:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so. The Management is responsible for overseeing the Entity's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's responsibilities for the audit of the financial statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 the 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 Entity'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 evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Auditor's responsibilities for the audit of the financial statements (Continued):

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

We communicate with management 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.

Report on other legal and regulatory requirements

As required by the UAE Federal Law No. (2) of 2015, we report that:

1. We have obtained all the information and explanations we considered necessary for the purposes of our audit;

2. The Entity has maintained proper books of account.

3. According to the information made available to us, we are not aware of any contraventions during the year of the UAE Federal Law No. (2) of 2015 or the Articles of Association of the Entity; which might have a material effect on the financial position of the Entity or on the results of its operations for the year.

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
April 15, 2021

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

Statement of Financial Position as at March 31, 2021

	Notes	31-Mar-21 AED	31-Mar-20 AED
ASSETS			
Non-current assets			
Property, plant and equipment	3	**129,523**	184,338
Total non current assets		**129,523**	184,338
Current assets:			
Inventories	4	**416,844**	464,212
Deposits, prepayments and other receivables	5	**72,307**	71,650
Cash and cash equivalents	6	**1,314,142**	657,986
Total current assets		**1,803,293**	1,193,848
Total assets		**1,932,816**	1,378,186
EQUITY AND LIABILITIES			
Equity:			
Share capital	7	**300,000**	300,000
Statutory reserve	8	**150,000**	150,000
Retained earnings	9	**817,117**	584,845
Total equity		**1,267,117**	1,034,845
Non-current liabilities:			
Employees' end of service benefits	10	**27,813**	30,765
Total non-current liabilities		**27,813**	30,765
Current liabilities:			
Trade payables	11	**123,396**	4,679
Accruals and other payables	12	**514,490**	307,897
Total current liabilities		**637,886**	312,576
Total liabilities		**665,699**	343,341
Total equity and liabilities		**1,932,816**	1,378,186

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

These financial statements were approved and authorised for issue on April 15, 2021 and signed on behalf of the Entity by:

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

ويفرز انديا للتجارة العامة (ش.ذ.م.م)
P.O. Box 6516
Dubai - U.A.E.
Authorised 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 year ended March 31, 2021

	Notes	2020-21 AED	2019-20 AED
Revenue	14	**2,272,359**	2,786,625
Cost of sales	15	**(844,186)**	(1,074,145)
Gross profit		**1,428,173**	1,712,480
Other income	16	**4,583**	2,160
Administrative and other expenses	17	**(1,174,953)**	(1,348,204)
Selling and distribution cost	18	**(25,531)**	(54,328)
Net profit for the year		**232,272**	312,108

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

These financial statements were approved and authorised for issue on April 15, 2021 and signed on behalf of the Entity by:

Manager
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WEAVERS INDIA GENERAL TRADING (L.L.C)

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Statement of Changes in Shareholders' Equity for the year ended March 31, 2021

	Share capital	Statutory reserve	Retained earnings	Total equity
	AED	**AED**	**AED**	**AED**
Balance as at 01 April, 2019	300,000	150,000	272,737	722,737
Net profit for the year	-	-	312,108	312,108
Balance as at March 31, 2020	300,000	150,000	584,845	1,034,845
Net profit for the year	-	-	232,272	232,272
Balance as at March 31, 2021	**300,000**	**150,000**	**817,117**	**1,267,117**

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

Statement of Cash Flows for the year ended March 31, 2021

	2020-21	2019-20
	AED	AED
OPERATING ACTIVITIES:		
Net profit for the year	**232,272**	312,108
Adjustments for:		
Depreciation on property, plant and equipment	**57,315**	58,857
Provision for employees' end of service benefits	**9,774**	10,868
Cash flows from operating activities before working capital	**299,361**	381,833
(Increase) / decrease in inventories	**47,368**	89,351
(Increase)/decrease in deposits, prepayments and other receivables	**(657)**	18,414
Increase / (decrease) in trade payables	**118,717**	4,679
Increase / (decrease) in accruals and other payables	**206,593**	(290,830)
Cash generated from operations:	**671,382**	203,447
Employees' end-of-services benefits paid/reversed	**(12,726)**	(28,140)
Net cash from operating activities	**658,656**	175,307
INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	**(2,500)**	(128,682)
Net cash (used in) investing activities	**(2,500)**	(128,682)
FINANCING ACTIVITIES:		
Net cash from/(used in) financing activities	-	-
Net increase in cash and cash equivalents	**656,156**	46,625
Cash and cash equivalents, beginning of the year	**657,986**	611,361
Cash and cash equivalents, end of the year	**1,314,142**	657,986
Cash and cash equivalents		
Cash in hand	**9,783**	5,771
Cash at banks	**1,304,359**	652,215
	1,314,142	657,986

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 financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), 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, 2019	42,030	1,096,483	106,921	1,245,434
Additions during the year	-	111,856	16,826	128,682
Reclassification during the year	(1,700)	-	1,700	-
Disposals during the year	-	(654,741)	(4,700)	(659,441)
As at March 31, 2020	40,330	553,598	120,747	714,675
Additions during the year	-		2,500	2,500
As at March 31, 2021	**40,330**	**553,598**	**123,247**	**717,175**
Accumulated depreciation				
As at April 01, 2019	42,030	981,970	106,921	1,130,921
Charge for the year	-	53,741	5,116	58,857
Reclassification during the year	(1,700)	-	1,700	-
Disposals during the year	-	(654,741)	(4,700)	(659,441)
As at March 31, 2020	40,330	380,970	109,037	530,337
Charge for the year	-	51,360	5,955	57,315
As at March 31, 2021	**40,330**	**432,330**	**114,992**	**587,652**
Carrying value as at March 31, 2020	-	172,628	11,710	184,338
Carrying value as at March 31, 2021	**-**	**121,268**	**8,255**	**129,523**

4 Inventories

	31-Mar-21	31-Mar-20
	AED	AED
Stock in trade	**416,844**	464,212
	416,844	464,212

5 Deposits, prepayments and other receivables

	31-Mar-21	31-Mar-20
	AED	AED
Deposits	**12,042**	9,042
Prepayments and advances	**60,265**	62,608
	72,307	71,650

6 Cash and cash equivalents

	31-Mar-21	31-Mar-20
	AED	AED
Cash in hand	**9,783**	5,771
Cash at banks	**1,304,359**	652,215
	1,314,142	657,986

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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	31-Mar-21 AED	31-Mar-20 AED
Ali Ismail Mohammad-UAE National	51%	153	**153,000**	153,000
Fab India International PTE. Ltd., Singapore	49%	147	**147,000**	147,000
	100%	300	**300,000**	300,000

8 Statutory reserve

	31-Mar-21 AED	31-Mar-20 AED
Balance at the beginning of the year	**150,000**	150,000
Balance at the end of the year	**150,000**	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

	31-Mar-21 AED	31-Mar-20 AED
Balance at the beginning of the year	**584,845**	272,737
Net profit for the year	**232,272**	312,108
Balance at the end of the year	**817,117**	584,845

10 Employees' end of service benefits

	31-Mar-21 AED	31-Mar-20 AED
Balance at the beginning of the year	**30,765**	48,037
Charge during the year	**9,774**	10,868
Less: paid during the year	**(12,726)**	(28,140)
Balance at the end of the year	**27,813**	30,765

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

	31-Mar-21 AED	31-Mar-20 AED
Accounts payables (Note 13)	**123,396**	4,679
	123,396	4,679

12 Accruals and other payables

	31-Mar-21 AED	31-Mar-20 AED
Accruals	**16,041**	13,220
Professional fees payable	**19,420**	7,350
VAT payables	**16,836**	18,480
Other payables (Note 13)	**462,193**	268,847
	514,490	307,897

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

	31-Mar-21 AED	31-Mar-20 AED
Included under trade payables (Note 11):		
Fab India Overseas Pvt. Ltd., India	**122,122**	-
Included under accruals and other payables (Note 12):		
Ali Ismail Mohammad-UAE National, Shareholder	**456,840**	267,397
	578,962	267,397

The details of significant related parties transactions are give below:

Purchases from Fab India Overseas Pvt. Ltd., India	**796,818**	984,794
Sponsorship fee to Ali Ismail Mohammad-UAE National	**189,442**	180,421

14 Revenue

	For the year ended	
	31-Mar-21	31-Mar-20
	AED	AED
Sale of goods	**2,411,554**	2,920,638
Sales return	**(139,195)**	(134,013)
	2,272,359	2,786,625

15 Cost of sales

	For the year ended	
	31-Mar-21	31-Mar-20
	AED	AED
Inventories at the beginning of the year	**464,212**	553,563
Purchases during the year (including direct expenses)	**796,818**	984,794
Available for sale	**1,261,030**	1,538,357
Less: Inventories at the end of the year	**(416,844)**	(464,212)
	844,186	1,074,145

16 Other income

	For the year ended	
	31-Mar-21	31-Mar-20
	AED	AED
Exchange gain	**4,309**	1,900
Miscellaneous	**274**	260
	4,583	2,160

17 Administrative and other expenses

	For the year ended	
	31-Mar-21	31-Mar-20
	AED	AED
Salaries and related benefits	**314,971**	368,735
Rent	**340,100**	408,448
Bank charges	**50,265**	62,263
Communication and utilities	**44,222**	46,335
Legal, visa and taxes	**34,486**	66,559
Printing and stationery	**802**	4,081
Travelling and conveyance	**821**	2,347
Sponsorship fees	**189,442**	180,421
Repairs and maintenance	**21,174**	16,784
Insurance	**14,110**	14,493
Depreciation (Note 3)	**57,315**	58,857
Professional fees	**93,120**	94,000
Miscellaneous	**14,125**	24,881
	1,174,953	1,348,204

18 Selling and distribution cost	For the year ended	
	31-Mar-21	31-Mar-20
	AED	AED
Advertisement and marketing	**25,531**	54,328
	25,531	54,328

19 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.

20 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.

21 Previous year numbers:

The previous year figures have been regrouped or reclassified wherever necessary in order to make them comparable with current year classifications or disclosures.