Sheela Foam Trading LLC
Dubai - United Arab Emirates

Independent Auditor's Report and
Financial Statements
For the period ended March 31, 2024

Sheela Foam Trading LLC
Dubai - United Arab Emirates

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Sheela Foam Trading LLC

Dubai - United Arab Emirates

General information

Principal office address	:	908, The Metropolis Tower Marasi Drive Business Bay Dubai - United Arab Emirates	
The Shareholder	:	**Name** Sheela Foam Limited	**Incorporated in** India
The Auditor	:	Calx International Auditing of Accounts Dubai - United Arab Emirates	
The Bank	:	Wio Bank	

Sheela Foam Trading LLC
Dubai - United Arab Emirates

Director's report

The Board of Directors has pleasure in presenting the audited separate financial statements of Sheela Foam Trading L.L.C for the period ended March 31, 2024.

Principal activities of the Entity

The Entity is licensed for Home Furniture and Sponge Mattresses Trading.

Financial review

The table below summarizes the results denoted for the period September 25, 2023 (inception) to March 31, 2024 in Arab Emirates Dirham (AED).

	For the period from September 25, 2023 (inception) to March 31, 2024
Revenue	199,683
Gross loss	(41,225)
Net loss	(739,652)

Role of the Director

The Director is the Entity's principal decision-making forum. The Director has the overall responsibility for leading and supervising the Entity for delivering sustainable shareholder value through its guidance and supervision of the Entity's business. The Director set the strategies and policies of the Entity . He monitor performance of the Entity's business, guide and supervise its management.

Going concern

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements, the management has made an assessment of the Entity's ability to continue as a going concern. The management has not come across any evidence that causes it to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Entity's ability to continue as a going concern.

Events after period end

In the opinion of the Director, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial period and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the entity .

Auditor

Calx International Auditing of Accounts., Auditors is willing to appoint in office and a resolution to appoint them will be proposed in the Annual General Meeting.

Director's report (continued)

Statement of Directors' responsibilities

The applicable requirements, requires the Director to prepare the financial statements for each financial period which presents fairly in all material respects, the financial position of the entity and its financial performance for the period then ended.

The audited financial statements for the period under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Director confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables him to ensure that the financial statements comply with the requirements of applicable statute. The Director also confirms that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the period under review and reasonably present the Entity's financial conditions and results of its operations.

Acknowledgment

The Director wishes to place on record, his sincere gratitude for the continuous support extended by various government departments, banks, suppliers, employees and all well wishers.

These financial statement were approved by the Board and signed on behalf by the authorized representative of the Entity.

Authorized Signatory
May 06, 2024

كالكس انترناشيونال لمراجعة الحسابات

CALX International Auditing
(a member firm of Capstone Global Limited)

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Independent auditor's report

To,
The Shareholder
Sheela Foam Trading LLC
Dubai - United Arab Emirates

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Sheela Foam Trading L.L.C, Dubai** - United Arab Emirates ("Entity") which comprise the statement of financial position as at **March 31, 2024**, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the period 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, 2024, and its financial performance and its cash flows for the period 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 financial statements section of our report. We are independent of the Entity in accordance with the requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants (IESBA) together with ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), 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.

Those charge with governance are responsible for overseeing the Entity 's financial reporting process.

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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 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 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 evidence 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.

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.

كالكس انترناشيونال لمراجعة الحسابات

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Report on other legal and regulatory requirements

As required by the U.A.E. Federal Commercial Companies Law No. 32 of 2021, we further confirm that,

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

2 Proper books of accounts have been maintained by the Entity.

3 The contents of the Director's report which relates to the financial statements are in agreement with the Entity 's books of account.

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

For Calx International Auditing of Accounts

N. I. Patel

Mr. Nirav Patel
Partner- Audit
Regn. No. 939
Dubai - United Arab Emirates
May 06, 2024

كالكس انترناشيونال لمراجعة الحسابات
DUBAI - U.A.E.
CALX INTERNATIONAL AUDITING OF ACCOUNTS

Sheela Foam Trading LLC
Dubai - United Arab Emirates

Statement of financial position as at March 31, 2024
In Arab Emirates Dirham

	Notes	2024
Assets		
Current assets		
Trade receivables	4	**104,510**
Inventories	5	**845,263**
Cash and bank balances	6	**196,000**
Advances, deposits and other receivables	7	**91,355**
Total current assets		**1,237,128**
Total assets		**1,237,128**
Equity and liabilities		
Equity		
Share capital	8	**500,000**
(Loss) for the period	9	**(739,652)**
Total equity		**(239,652)**
Current liabilities		
Trade and other payables	10	**1,250,188**
Other Current Liabilities	11	**226,592**
		1,476,780
Total liabilities		**1,476,780**
Total equity and liabilities		**1,237,128**

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4, 5 and 6.

The financial statements on pages 7-23 were approved on May 06, 2024 and signed on behalf of the Entity, by:

Authorized Signatory

Sheela Foam Trading LLC
Dubai - United Arab Emirates

Statement of profit or loss and other comprehensive income for the period from September 25, 2023 (inception) to March 31, 2024
In Arab Emirates Dirham

	Notes	For the period from September 25, 2023 (inception) to March 31, 2024
Revenue	12	**199,683**
Direct expense	13	**(240,908)**
Gross loss		**(41,225)**
Selling and distribution expenses	14	**(248,350)**
Administrative expenses	15	**(450,077)**
Net (loss) for the period		**(739,652)**
Other comprehensive income/loss		**-**
Total comprehensive (loss) for the period		**(739,652)**

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4, 5 and 6.

The financial statements on pages 7-23 were approved on May 06, 2024 and signed on behalf of the Entity, by:

شيلا لتجارة الاسفنج ش.ذ.م.م
Dubai - U.A.E.
SHEELA FOAM TRADING L.L.C

Authorized Signatory

Sheela Foam Trading LLC
Dubai - United Arab Emirates

Statement of changes in equity for the period from September 25, 2023 (inception) to March 31, 2024
In Arab Emirates Dirham

	Share capital	(Loss) for the period	Total equity
Capital introduced	500,000	-	500,000
Total comprehensive (loss) for the period	-	(739,652)	(739,652)
Balance as at March 31, 2024	**500,000**	**(739,652)**	**(239,652)**

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4, 5 and 6.

Sheela Foam Trading LLC
Dubai - United Arab Emirates

Statement of cash flows for the period from September 25, 2023 (inception) to March 31, 2024
in Arab Emirates Dirham

	For the period from September 25, 2023 (inception) to March 31, 2024
Cash flows from operating activities	
Net (loss) for the period	**(739,652)**
Adjustments for:	
	(739,652)
(Increase) / decrease in current assets	
Trade receivables	**(104,510)**
Inventories	**(845,263)**
Other Current Assets	**(91,355)**
Increase / (decrease) in current liabilities	
Trade and other payables	**1,250,188**
Other Current Liabilities	**226,592**
Cash generated from operations	**(304,000)**
Cash flows from financing activities	
Capital introduced	**500,000**
Net cash from / (used in) financing activities	**500,000**
Net (decrease) / increase in cash and cash equivalents	**196,000**
Cash and cash equivalents, end of the period	**196,000**
Cash and cash equivalents	
Cash at bank	**196,000**
	196,000

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4, 5 and 6.

1 Legal status and business activities

1.1 Sheela Foam Trading L.L.C, Dubai – United Arab Emirates (the "Entity") was registered on September 25, 2023 as a Limited Liability Company - Single Owner (LLC - SO) and operates in the United Arab Emirates under a commercial license issued by the Dubai Economy and Tourism.

1.2 The Entity is licensed for Home Furniture and Sponge Mattresses Trading.

1.3 The registered office of The Entity is located at 908, The Metropolis Tower, Marasi Drive, Business Bay, Dubai - United Arab Emirates.

1.4 The management and control is vested with Mr. Kumar Ghanshyam Brijwani, Indian national.

1.5 These financial statements incorporate the operating results of the commercial license no. 1222867.

2 New and amended standards

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

In the current year entity has applied the below amendments to IFRS and Interpretations issued by the board that are effective for the period that begins on or after the date of inception. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 1
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020
- IFRS 9 Financial Instruments
- IFRS 16 Leases
- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IAS 41 Agriculture

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

The following standards and interpretations had been issued but not yet effective for reporting period ending March 31, 2024.

Description	Effective for annual periods beginning on or after
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	January 1, 2023
- IFRS 17 - Insurance contracts	January 1, 2023
- Amendments to IFRS 17 - Insurance contracts	January 1, 2023
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	January 1, 2023
- Definition of Accounting Estimates – Amendments to IAS 8	January 1, 2023
- IFRS 10 and IAS 28 (amendments) - Sale or contribution of assets between an investor and its Associate or Joint venture	date yet to be set
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 1, 2023

2 New and amended standards (continued)

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

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

3 Significant accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards. These financial statements are presented in United Arab Emirates Dirham (AED) which is the Entity functional and presentation currency.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis, as explained in the accounting policies below.

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 financial statements are set out below.

3.3 Current/Non current classification

The Entity presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is 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 Entity classifies all other liabilities as non-current.

3.4 Foreign currency

The transactions in currencies other than the Entity'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. The non-monetary items that are measured in terms of historical cost in a foreign currency are not

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3 Significant accounting policies (continued)

3.5 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 Entity'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.

3.6 Financial instruments

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

3.7 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss ' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

<u>Loans and receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in the current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Entity's loans and receivables comprise "other receivables", "deposit with authorities", "advance to suppliers" and "advance to staff" in the statement of financial position. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

<u>Cash and cash equivalents</u>

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

<u>Accounts and other receivable</u>

Accounts receivable are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Accounts and other receivable are initially recognised at fair value and subsequently measured at amortised cost reduced by appropriate allowance for estimated doubtful debts.

3 Significant accounting policies (continued)

3.7 Financial assets (continued)

Impairment of financial assets

Assets carried at amortised cost

The Entity assesses at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss.

Derecognition of financial assets

The Entity 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 Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset.

3.8 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 payables, net of directly attributable transaction costs. The Entity’s financial liabilities include trade and other payables.

Accounts and other payable

Accounts and other payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

3 Significant accounting policies (continued)

3.8 Financial liabilities (continued)

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 Entity derecognises financial liabilities when, and only when, the Entity'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 statement of profit or loss.

3.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the 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.

3.91 Provisions

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

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.

3 Significant accounting policies (continued)

3.92 Revenue recognition

The Entity has adopted IFRS 15 and has applied the following accounting policy in the preparation of its financial statements.

Revenue from Contracts with Customers

The Entity recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1 Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must met.

Step 2 Identify the performance obligations in the contract : A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price : The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties.

Step 4 Allocate transaction price to the performance obligations in the contract : For a contract that has more than one performance obligation, the Entity will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Entity expects to be entitled in an exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the Entity satisfies a performance obligation.

The Entity satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1 The customer simultaneously receives and consumes the benefits provided by the Entity's performance as the Entity performs; or

2 The Entity's performance creates or enhances as asset that the customer controls as the asset is created or enhanced; or

3 The Entity's performance does not create an asset with an alternative use to the Entity and the Entity has an enforceable right to payment for perfornance completed to date.

For performance obligations where one of above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Entity satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this give rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Entity assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The entity has concluded that it is acting as a principal in all its revenue arrangements.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Entity and the revenue and costs, if applicable, can be measured reliably.

3 Significant accounting policies (continued)

3.93 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's 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.

		2024
4	**Trade receivables**	
	Trade receivables - considered good	**104,510**
		104,510

		2024
5	**Inventories**	
	Inventories at the end of the period	**845,263**
		845,263

Inventories are located at entity premises and is verified and confirmed by management.

		2024
6	**Cash and bank balances**	
	Current accounts	**196,000**
		196,000

		2024
7	**Advances, deposits and other receivables**	
	Prepaid expenses	**29,944**
	VAT receivables	**60,747**
	Advance to Contractors/suppliers	**664**
		91,355

8 Share capital

Authorised, issued and paid up capital of the Entity is AED 500,000/- divided into 500 shares of AED 1,000/- each fully paid.

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

Name of Shareholder	Incorporated in	Percentage	No. of shares	2024
Sheela Foam Limited	India	100%	**500**	**500,000**
		100%	**500**	**500,000**

		2024
9	**(Loss) for the period**	
	Net (loss) for the period	**(739,652)**
	Balance at the end of the period	**(739,652)**

10	**Trade and other payables**	**2024**
	Trade Payables	**1,157,088**
	Salaries and benefits payable	**93,100**
		1,250,188

11	**Other Current Liabilities**	**2024**
	Other loans & advances	**146,938**
	Advance from Customers	**79,654**
		226,592

12	**Revenue**	**For the period from September 25, 2023 (inception) to March 31, 2024**
	Revenue	**199,683**
		199,683

13	**Direct expense**	
	Purchase of stock-in-trade	**1,086,171**
	Less: Closing Stock	**(845,263)**
		240,908

14	**Selling and distribution expenses**	
	Advertisement expense	**25,414**
	Selling and promotion	**222,936**
		248,350

15	**Administrative expenses**	
	Legal, visa and professional fees	**24,261**
	Rent	**78,113**
	Bank Charges	**1,249**
	Freight & carriage	**2,655**
	Salaries, wages, allowance, and other benefits	**312,669**
	Workmen and staff welfare	**100**
	Contractual Labour	**7,437**
	Miscellaneous Expenses	**7,194**
	Rates and taxes	**7,158**
	Insurance	**178**
	Travelling and conveyance	**9,062**
		450,077

16 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 3 to the financial statements.

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

	As at March 31, 2024	As at March 31, 2024
Financial assets	**Carrying amount**	**Fair value**
Trade receivables	**104,510**	**104,510**
Advances, deposits and other receivables	**91,355**	**91,355**
Cash and bank balances	**196,000**	**196,000**
	391,865	**391,865**
Financial liabilities		
Trade and other payables	**1,250,188**	**1,250,188**
Other Current Liabilities	**226,592**	**226,592**
	1,476,780	**1,476,780**

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of bank balances, advance to suppliers, vat receivables, advance to staff and deposits. Financial liabilities consist of trade payable, accrued interest and accrued expenses.

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 reporting date financial assets and financial liabilities are approximates their carrying values.

17 Financial risk management objectives

The Entity management set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity 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 Entity's policy guidelines are complied with.

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

The Entity manages its financial risk by closely monitoring and diversifying into investments into various markets and different sectors. Detailed internal guidelines exist for the investment processes. The Management monitors all investments closely on a regular basis and ensures that these guidelines are followed and objectives are met.

a) Foreign currency risk management

The Entity undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

b) Interest rate risk management

The Entity has taken a loan from Gujurat Fluorochemicals Limited, India at a fixed interest rate of 9% without any fixed repayment schedule. Hence, the entity is not exposed to significant interest rate risk due to volatility.

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 Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Entity'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.

17 Financial risk management objectives (continued)

Liquidity and interest risk tables:

The table below summarises the maturity profile of the Entity'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 financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements were 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							
Trade receivables	-	-	-	-	104,510	-	104,510
Advances, deposits	-	-	-	-	91,355	-	91,355
Cash and bank	-	-	-	196,000	-	-	196,000
	-	-	-	196,000	195,865	-	391,865
Financial liabilities							
Accounts and other payable	-	-	-	-	1,250,188	-	1,250,188
Other Current Liabilities	-	-	-	-	226,592	-	226,592
	-	-	-	-	1,476,780	-	1,250,188

17 Financial risk management objectives (continued)

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 Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly.

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 financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

18 Capital risk management

The Entity 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.

19 Comparative amounts

This is the first period of audit since inception, hence there are no comparatives figures included in these financial statements.