



**ARVIND ENTERPRISES ( FZC )  
SAIF ZONE SHARJAH - UAE**

**Financial Statements  
Year ended 31 March 2021**



**ARVIND ENTERPRISES ( FZC )  
SAIF ZONE SHARJAH - UAE**

**Financial Statements**

**Year ended 31 March 2021**

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## ARVIND ENTERPRISES ( FZC )

### Director's Report Year ended 31 March 2021

We submit our report and the audited financial statements for the year ended 31 March 2021

#### Review of business and results

The Company is engaged in the activity of General Trading.

#### Business Operations Review

The table below summarized results of 2021 & 2020

| Particulars        | 2021       | 2020      |
|--------------------|------------|-----------|
|                    | AED        | AED       |
| Revenue            | 55,617,973 | 9,243,585 |
| Gross Profit       | 4,601,752  | 1,136,043 |
| Net Profit         | 123,351    | 851,171   |
| Gross Profit Ratio | 8.27%      | 12.29%    |
| Net Profit Ratio   | 0.22%      | 9.21%     |

#### Events since the end of the year

There are no significant events since the end of the year and the date of this report, which is likely to affect, substantially the result of the operations or the financial position of the company.

#### Management responsibilities

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for the compilation of these financial statements.

#### Auditors

We propose the reappointment of M/s. Apex Auditing - Chartered Accountants as auditors of the Company for the next year.



**Kintu Kumar Gandhi**  
**MANAGER**

July 14, 2021





## Independent Auditor's Report

**To the Partners / Shareholders**  
**ARVIND ENTERPRISES ( FZC )**  
**SAIF ZONE SHARJAH - UAE**

### **Opinion**

We have audited the accompanying financial statements of **ARVIND ENTERPRISES ( FZC )**, SAIF ZONE SHARJAH - UAE which comprise the statement of financial position as at **31 March 2021** and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information contained in notes set out on pages 4 to 15.

In our, opinion, the accompanying financial statements present fairly, the financial position of the Company as of **31 March 2021** and its / their financial performance and its / their cash flows for the year then ended in accordance with the International Financial Reporting Standards.

### **Going Concern**

The Company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Company's financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such material uncertainty. However, neither management nor the auditor can guarantee the Company's ability to continue as a going concern.

### **Responsibilities of Management and Those Charged with Governance [Common for Modified Opinion]**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and its preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015 or the Implementing Regulations of Economic Development Department , Memorandum & Articles of Association of the Company 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management and those charged with governance are responsible for overseeing the Company's financial reporting process.



**Continued**





### **Auditor's Responsibilities for the Audit of the Financial Statements**

The objective of our audit is 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 the 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.

### **Report on Other Legal and Regulatory Requirements (if applicable)**

As required by the UAE Federal Law No. (2) of 2015 on Commercial Companies [Implementing Regulations as appropriate] We further report that:

- i) We have obtained all the information and explanations as we considered necessary for the purpose of our audit;
- ii) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015;
- iii) Proper books of account have been kept by the Company;
- iv) The financial information contained in the Director's report, in so far as it relates to these financial statements is consistent with the books of account of the Company;
- v) Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial **31 March 2021** under audit any of the applicable provisions of the UAE Federal Law No. (2) of 2015 [or Laws / Implementing Regulations of Economic Development Department of UAE and the Memorandum [and Articles] of Association of the Company have occurred during the year, which would have had a material effect on the business of the Company or on its financial position as at **31 March 2021**.

*Maitha A*

### **Apex Auditing**

Maitha Mohd Ibrahim Alnajjar Alfalasi  
Registration No. 730

July 14, 2021

Dubai, United Arab Emirates





## ARVIND ENTERPRISES ( FZC )

Statement of Financial Position as on 31 March 2021

|                               | Note | Mar-21<br>AED            | Mar-20<br>AED            |
|-------------------------------|------|--------------------------|--------------------------|
| <b>ASSETS</b>                 |      |                          |                          |
| <b>Non-current assets</b>     |      |                          |                          |
|                               |      | -                        | -                        |
| <b>Current assets</b>         |      |                          |                          |
| Investment                    | 3    | 7,707,000                | -                        |
| Inventories                   | 4    | 6,970,301                | 10,317,579               |
| Trade receivables             | 5    | 14,225,525               | 6,901,759                |
| Other receivable              | 6    | 378,600                  | 456,352                  |
| Cash and cash equivalents     | 7    | 889,099                  | 1,012,989                |
|                               |      | <u>30,170,525</u>        | <u>18,688,679</u>        |
| <b>TOTAL ASSETS</b>           |      | <b><u>30,170,525</u></b> | <b><u>18,688,679</u></b> |
| <b>EQUITY AND LIABILITIES</b> |      |                          |                          |
| <b>Equity</b>                 |      |                          |                          |
| Share capital                 | 8    | 188,000                  | 188,000                  |
| Share Application money       | 9    | 828                      | 828                      |
| Retained earnings             | 10   | 989,750                  | 866,399                  |
|                               |      | <u>1,178,578</u>         | <u>1,055,227</u>         |
| <b>Non-current liability</b>  |      |                          |                          |
|                               |      | -                        | -                        |
| <b>Current liabilities</b>    |      |                          |                          |
| Loans (Liability)             | 11   | 20,129,950               | 11,846,296               |
| Trade and other payables      | 12   | 8,861,997                | 5,787,156                |
|                               |      | <u>28,991,947</u>        | <u>17,633,452</u>        |
| <b>TOTAL LIABILITIES</b>      |      | <b><u>28,991,947</u></b> | <b><u>17,633,452</u></b> |
| <b>EQUITY AND LIABILITIES</b> |      | <b><u>30,170,525</u></b> | <b><u>18,688,679</u></b> |

### CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 20 forms an integral part of these financial statements.

For ARVIND ENTERPRISES ( FZC )

Kintu Kumar Gandhi  
MANAGER





## ARVIND ENTERPRISES ( FZC )

### Statement of Comprehensive Income for the year ended 31 March 2021

|                             | Note | Mar-21<br>AED         | Mar-20<br>AED         |
|-----------------------------|------|-----------------------|-----------------------|
| Revenue                     | 13   | 55,617,973            | 9,243,585             |
| Less: Cost of Sales         | 14   | <u>(51,016,221)</u>   | <u>(8,107,542)</u>    |
| <b>Gross Profit</b>         |      | <b>4,601,752</b>      | <b>1,136,043</b>      |
| Operating expenses          | 15   | <u>(4,380,179)</u>    | <u>(241,827)</u>      |
| <b>Operating profit</b>     |      | <b>221,573</b>        | <b>894,216</b>        |
| Finance cost                | 16   | <u>(98,222)</u>       | <u>(43,045)</u>       |
| <b>Comprehensive Income</b> |      | <b><u>123,351</u></b> | <b><u>851,171</u></b> |

The annexed notes 1 to 20 forms an integral part of these financial statements.

For ARVIND ENTERPRISES ( FZC )

**Kintu Kumar Gandhi**  
**MANAGER**





## ARVIND ENTERPRISES ( FZC )

### Cash Flows Statement for the year ended 31 March 2021

|   | Mar-21<br>AED      | Mar-20<br>AED       |
|---|--------------------|---------------------|
| <b>Cash flows from operating activities</b>               |                    |                     |
| Net profit for the year                                   | 123,351            | 851,171             |
| <u>Adjustments for :-</u>                                 |                    |                     |
| Bank Charges  | 98,222             | 43,045              |
| <b>Operating profit before changes in working capital</b> | <b>221,573</b>     | <b>894,216</b>      |
| (Increase) / Decrease in investments                      | (7,707,000)        | -                   |
| (Increase) / Decrease in inventories                      | 3,347,278          | (10,317,579)        |
| (Increase) / Decrease in trade receivables                | (7,323,766)        | (6,901,759)         |
| (Increase) / Decrease in deposits, advances & prepayments | 77,752             | (434,282)           |
| Increase / (Decrease) in trade & other payables           | 3,074,841          | 5,779,506           |
| Bank Charges  | (98,222)           | (43,045)            |
| <b>Net cash used in operating activities</b>              | <b>(8,407,544)</b> | <b>(11,022,943)</b> |
| <b>Cash flows from investing activities</b>               |                    |                     |
| Net cash used in investing activities                     | -                  | -                   |
| <b>Cash flows from financing activities</b>               |                    |                     |
| Loans   | 8,283,654          | 11,846,296          |
| Share application money contributed                       | -                  | -                   |
| Dividend paid ( Arvind Ltd)                               | -                  | (275,250)           |
| <b>Net cash generated from financing activities</b>       | <b>8,283,654</b>   | <b>11,571,046</b>   |
| <b>Net increase in cash and cash equivalents</b>          | <b>(123,890)</b>   | <b>548,103</b>      |
| Cash and cash equivalents beginning of period             | 1,012,989          | 464,886             |
| <b>Cash and cash equivalents end of period</b>            | <b>889,099</b>     | <b>1,012,989</b>    |
| <b>Represented by:</b>                                    |                    |                     |
| Cash and Bank balance                                     | 889,099            | 1,012,989           |
|   | <b>889,099</b>     | <b>1,012,989</b>    |

The annexed notes 1 to 20 forms an integral part of these financial statements.

For ARVIND ENTERPRISES ( FZC )

Kintu Kumar Gandhi  
MANAGER





## ARVIND ENTERPRISES ( FZC )

Statement of changes in Shareholder's Equity for the year ended 31 March 2021

|                                    | Share capital<br>AED | Share Application<br>money<br>AED | Retained<br>earnings<br>AED | Total<br>AED     |
|------------------------------------|----------------------|-----------------------------------|-----------------------------|------------------|
| <b>Balance as on 31 March 2019</b> | 150,000              | 38,828                            | 290,478                     | 479,306          |
| Net profit for the year            | -                    | -                                 | 851,171                     | 851,171          |
| Dividend paid ( Arvind Ltd)        | -                    | -                                 | (275,250)                   | -                |
| Contribution during the year       | 38,000               | (38,000)                          | -                           | -                |
| <b>Balance as on 31 March 2020</b> | <b>188,000</b>       | <b>828</b>                        | <b>866,399</b>              | <b>1,055,227</b> |
| Net profit for the year            | -                    | -                                 | 123,351                     | 123,351          |
| Dividend paid ( Arvind Ltd)        | -                    | -                                 | -                           | -                |
| Contribution during the year       | -                    | -                                 | -                           | -                |
| <b>Balance as on 31 March 2021</b> | <b>188,000</b>       | <b>828</b>                        | <b>989,750</b>              | <b>1,178,578</b> |

The annexed notes 1 to 20 forms an integral part of these financial statements.

**For ARVIND ENTERPRISES ( FZC )**

  
**Kintu Kunal Gaudhi**  
**MANAGER**





## ARVIND ENTERPRISES ( FZC )

### Notes to the accounts - for the year ended 31 March 2021

#### 1 Legal status and Business activities

ARVIND ENTERPRISES FZC, SAIF ZONE, SHARJAH - UAE. Is a Free Zone Co. with Limited Liability & its license was issued on 14/12/2015 by the Sharjah Airport International Free Zone ( Saif Zone), Sharjah - UAE, .The company is operating under the license no # 18460.

**Mr. Kintu Kumar Gandhi**, Indian National Manager of the company and run the business operations as per parent company's instructions

The Company is engaged in the activity of General Trading.

#### 2 Significant Accounting Policies :

##### Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities (SMEs) issued by the International Accounting Standards Board (IASB) and the applicable requirements of Federal Law No. 8 of 1984 and 1988 as amended relating to commercial companies operating in the UAE.

##### Accounting Convention & Basis of Accounting

The financial statements are prepared under the historical cost basis applied consistently. Accrual basis of accounting has been adopted by the company except for the cash flow statement.

##### Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts and rebates.

##### Direct costs

Direct costs includes expenses incurred in providing the services, professional fees, salaries and other costs which are directly attributable to the revenue.

##### Foreign currency translation

Foreign currencies transactions are recorded at the rates of exchange prevailing on the dates of transactions. Monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Gains or losses resulting from settlement of transactions are transferred to foreign exchange gain or loss account.

##### Interest Income

Interest income comprised of interest earned on funds invested.



(cont...)



## ARVIND ENTERPRISES ( FZC )

Notes to the accounts - for the year ended 31 March 2021

### 2 Significant Accounting Policies : (cont.. page 8)

#### **Interest Expense (Corrected)**

Interest expense include funds obtained from banks and financial institutions and is recognised in profit or loss account in the period in which they are incurred on accrual basis.

#### **Operating lease (Corrected)**

The lease under which all the risks and rewards of ownership relating to the asset remain with the lessor and the monthly payments are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

#### **Inventory**

Inventories have been valued at lower of cost and net realizable value. Cost is determined by using first in first out method. Cost included purchases value and all expenses incurred in bringing the inventories at their present location and conditions. Net realizable value is based on the normal selling price, less cost expected to be incurred on disposal. Provision is made where necessary for obsolete, slow-moving and damaged items.

#### **Trade receivables**

Trade receivables are amounts receivable from customers for sale of goods or services in the ordinary course of business or profession. Trade receivables if recoverable within the following year is shown under current assets else, shown under non current assets.

Bad debts are accounted for when there is a default from customer and all means of recovery has failed. A provision has been made in these accounts for bad and doubtful debts, if any. Trade receivables denominated in foreign currency, are translated into AED at the exchange rate at the reporting date, and the difference, if any are transferred to foreign currency exchange loss or gain.

#### **Cash & Cash equivalents**

Cash & cash equivalents for the purpose of cash flow statement are cash in hand and bank account balances.



(cont...)





## ARVIND ENTERPRISES ( FZC )

Notes to the accounts - for the year ended 31 March 2021

### 2 Significant Accounting Policies : (cont.. page 9)

#### Trade payables

Trade payables are amounts to be paid in future for goods and services rendered to the company on the basis of normal credit terms and do not bear any interest. Trade payables denominated in foreign currency, are translated into AED at the exchange rate at the reporting date, and the difference (if any) is transferred to foreign currency exchange loss or gain.

#### Provision, accruals and contingent liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but is disclosed in the notes.

#### Reporting Currency & Rounding Up

The functional and reporting currency is United Arab Emirates Dirhams (AED). The figures are rounded up to Dirham ignoring fils.

#### Adoption of new IFRS

The company has adopted and complied with the IFRS for SME's since the time it was first published. Any amendments or improvements are adopted by the company with effective dates. These financial statements are prepared as per IFRS effective as on 31 March 2021, IFRS are not relevant to the company or are not applicable as on the date of the financial statements have been excluded.

#### Standards that are effective in the financial year are listed below.

Amendments to IFRS 7- 'Financial Instruments: Disclosures' – Offsetting Financial Assets and Financial Liabilities to facilitate comparison between financial statements prepared under IFRS and US GAAP – The Company does not have any offsetting arrangements in place, hence no impact on the disclosures or on the amounts that has been recognized in the financial statements -Not relevant to the Company.

Amendment to IFRS 1 - 'First Time Adoption', on Government Loans - Not relevant to the Company.

#### Effective date : 1 January 2016

IFRS in regulatory deferred accounts

Accounting for acquisition of interest in joint operations -Amendments to IFRS 11

Classification of acceptable methods of depreciation and amortisation -Amendments to IAS 16 and IAS 38

Classification of acceptable methods and amortisation -Amendments to IAS 16 and IAS 38

Equity method in separate financial statements -Amendments to IAS 27

Agriculture : Bearer Plants - Amendments to IAS 16 and IAS 41

Annual Improvements to IFRSs 2012-2014 cycle

Investment entities: Applying the consolidation exception-Amendments to IFRS 10, IFRS 12 and IAS 28

All these amendments merely clarify the existing requirements and they do not affect the company's accounting policies or any other disclosures.



(cont...)





## ARVIND ENTERPRISES ( FZC )

Notes to the accounts - for the year ended 31 March 2021

Significant Accounting Policies : (cont.. page 10)

### New and Amended Standards

The following standards became effective from 2016. However, they did not have any material impact on the company's financial statements. The Company intends to adopt these standards if applicable when they become effective.

IFRS 15 - Revenue from contracts with customers and associated companies to various other standards- Effective date 1 January 2018

IFRS 16 - Lease- Effective date 19 January 2019.

Recognition of deferred tax assets for unrealised losses - Amendments to IAS 12 -Effective date 1 January 2017

Disclosure Initiative -Amendments to IAS 7

Sales or contribution of assets between an investor and its associate or joint venture- Amendments to IFRS 10 and IAS 28

### Effective date : 1 January 2017

IFRS 15 - Revenue from contracts with customers- This establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. It replaces existing revenue recognition guidance, including IAS 18 -Revenue IAS 11- Construction contracts and IFIRC 13 - Customer loyalty programs -Not relevant to the company.

### Effective date : 1 January 2018

IFRS 9 - Financial instruments and associated amendments to various other standards- This standard published in July 2014 replaces the existing guidance in IAS 39 - Financial instruments, recognition and measurements. This includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39 - Not relevant to the company.

|                                | Mar-21<br>AED    | Mar-20<br>AED |
|--------------------------------|------------------|---------------|
| <b>3 Investment</b>            |                  |               |
| Investment in PVH              | 11,010,000       | -             |
| Less: Impairment of Investment | (3,303,000)      | -             |
|                                | <u>7,707,000</u> | <u>-</u>      |





## ARVIND ENTERPRISES ( FZC )

Notes to the accounts - for the year ended 31 March 2021

|                                    | Mar-21<br>AED     | Mar-20<br>AED     |
|------------------------------------|-------------------|-------------------|
| <b>4 Inventories</b>               |                   |                   |
| Ethiopia Store                     | 6,506,751         | 9,638,844         |
| Good in transit to Ethiopia        | 463,550           | 678,735           |
|                                    | <u>6,970,301</u>  | <u>10,317,579</u> |
| <b>5 Trade receivables</b>         |                   |                   |
| Trade receivables                  | 14,225,525        | 6,901,759         |
|                                    | <u>14,225,525</u> | <u>6,901,759</u>  |
| <b>6 Other receivables</b>         |                   |                   |
| Prepayments                        | 378,600           | 456,352           |
|                                    | <u>378,600</u>    | <u>456,352</u>    |
| <b>7 Cash and cash equivalents</b> |                   |                   |
| Cash & Bank balance                | 889,099           | 1,012,989         |
|                                    | <u>889,099</u>    | <u>1,012,989</u>  |

"The Company places its bank accounts with reputed banks".

### 8 Share capital

The authorized, issued and paid up share capital of the company is AED 188,000 consisting of 188 shares of AED 1,000 each. Their interest in the share capital of the Company as at that date were as follows:

| Name  | Nationality | Percentage  | AED            | AED            |
|---|-------------|-------------|----------------|----------------|
| 1. M/S Arvind Limited ( India )                 | India       | 97.34%      | 183,000        | 183,000        |
| 2. M/S Arvind Ruf & Tuf Private Limited (India) | India       | 2.66%       | 5,000          | 5,000          |
|   |             | <u>100%</u> | <u>188,000</u> | <u>188,000</u> |

### 9 Share Application money

|                           |            |            |
|---------------------------|------------|------------|
| Arvind Ltd                | 690        | 690        |
| Arvind Ruf & Tuf Pvt. Ltd | 138        | 138        |
|                           | <u>828</u> | <u>828</u> |

"This Represent share application money contributed by the parent shareholder company. Obtaining required approvals, the authorized, issued and paid up share capital will ne incresed during the ensuring years."





## ARVIND ENTERPRISES ( FZC )

Notes to the accounts - for the year ended 31 March 2021

|                                    | Mar-21<br>AED     | Mar-20<br>AED     |
|------------------------------------|-------------------|-------------------|
| <b>10 Retained earnings</b>        |                   |                   |
| Opening Balance                    | 866,399           | 290,478           |
| Dividend paid ( Arvind Ltd)        | -                 | (275,250)         |
| Net profit for the year            | 123,351           | 851,171           |
| Closing Balance                    | <u>989,750</u>    | <u>866,399</u>    |
| <b>11 Loans (Liability)</b>        |                   |                   |
| Arvind Ltd                         | -                 | 6,336,391         |
| Arvind Ruf & Tuf Ltd               | 11,010,000        | 5,509,905         |
| Inter Company Loan - Ethiopia      | 9,119,950         | -                 |
|                                    | <u>20,129,950</u> | <u>11,846,296</u> |
| <b>12 Trade and other payables</b> |                   |                   |
| Due to Business associate          | 8,388,602         | 4,323,512         |
| Other payables                     | 92,132            | 1,326,903         |
| Accrued expenses                   | 381,263           | 136,741           |
|                                    | <u>8,861,997</u>  | <u>5,787,156</u>  |
| <b>13 Revenue</b>                  |                   |                   |
| Sales                              | 55,617,973        | 9,243,585         |
|                                    | <u>55,617,973</u> | <u>9,243,585</u>  |
| <b>14 Cost of Sales</b>            |                   |                   |
| Cost of goods sold                 | 51,016,221        | 8,107,542         |
|                                    | <u>51,016,221</u> | <u>8,107,542</u>  |
| <b>15 Operating expenses</b>       |                   |                   |
| Manager's fee                      | 15,000            | 12,000            |
| Legal & professional expenses      | 45,113            | 77,074            |
| Other administrative fees          | 49,727            | 23,937            |
| Audit & accounting exp             | 9,000             | 6,000             |
| Inrerest exp                       | 381,263           | 122,816           |
| Bad debts written off              | 577,076           | -                 |
| Impairment of Investment           | 3,303,000         | -                 |
|                                    | <u>4,380,179</u>  | <u>241,827</u>    |
| <b>16 Finance cost</b>             |                   |                   |
| Bank charges                       | 98,222            | 43,045            |
|                                    | <u>98,222</u>     | <u>43,045</u>     |







## ARVIND ENTERPRISES ( FZC )

Notes to the accounts - for the year ended 31 March 2021

### 17 Financial instruments

Financial instruments comprises of financial assets and financial liabilities. Financial assets and financial liabilities are recognized on the company's balance sheet when it has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, contractual right to receive cash or other financial assets, a contractual right to exchange financial instruments under conditions that are potentially favourable or any 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. The fair value of financial assets and financial liabilities equals their carrying values.

### 18 Risk management :

#### Credit risk

The company's exposure to credit risk is concentrated on bank balances, trade receivables, supplier advances and other advances and deposits.

The company's bank accounts are with local branches of banks operating in the U.A.E. Trade receivables are stated at realizable value net of allowance and bad debts. Supplier advances are on open accounts without security. The management confirms that the suppliers are regular. Deposits with government departments are refundable and secured and other deposits are miscellaneous refundable deposits.

#### Interest risk

The bank borrowings consist of term loans, overdraft and trust receipts. Interest on term loans is at a fixed rate for the entire period of the loan. Interest on bank overdraft and trust receipt is minimal.

#### Fair values

At the balance sheet date, the fair values of financial assets and liabilities, if any, approximate to their carrying amounts and have been very carefully scrutinized by the management for their correctness.

### 19 Related party transaction

The company has, in the ordinary course of business, entered into financial transactions with concerns which fall within the definition of "related parties" as contained in IAS 24. The management believes that the terms of such transactions are not materially different from those that could have been obtained from the unrelated parties.

|                                   | Mar-21 | Mar-20 |
|-----------------------------------|--------|--------|
|                                   | AED    | AED    |
| Interest paid to Arvind Ruf & Tuf | -      | -      |







## ARVIND ENTERPRISES ( FZC )

Notes to the accounts - for the year ended 31 March 2021

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### 20 Comparative figure

The fiscal period covers the period of 12 months from 01 April 2020 to 31 March 2021. Previous year's figures have been reclassified / regrouped wherever necessary to conform to the presentation adopted in these financial statements. Figures of the company have been rounded off to nearest AED 1/-.

The annexed notes 1 to 20 forms an integral part of these financial statements.

For ARVIND ENTERPRISES ( FZC )



**Kintu Kumar Gandhi**  
**MANAGER**

