

TCPL MIDDLE EAST FZE

Financial Statements

31 March 2022

Registered Office:

Office No FZJOA2103
JAFZA One
Jebel Ali Free Zone
Dubai, U.A.E.

TCPL MIDDLE EAST FZE

Financial Statements

31 March 2022

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TCPL MIDDLE EAST FZE Manager's Report

The manager submits his report and accounts for the year ended on 31 March 2022.

Results

The profit for the year amounted to AED 2,507/-.

Review of the business

The Establishment is registered to carry out activity of trading in paper and paper products, ink & printing material, plastic bags & containers and packing & packaging materials.

Events since the end of the year

There were no important events, which have occurred since the year-end that materially affect the Establishment.

Shareholders and its interest

The shareholder as at 31 March 2022 and its interests as at that date, in the share capital of the Establishment was as follows:

<u>Name of the shareholders</u>	<u>Country of Incorporation</u>	<u>No. of shares</u>	<u>AED</u>
TCPL Packaging Limited	India	<u>200</u>	<u>200,000</u>

Auditors

A resolution to re-appoint **KSI Shah & Associates** as auditors and fix their remuneration will be put to board at the annual general meeting.

Mr. Rishav Kanoria
Manager

Independent Auditors' Report to the Directors of TCPL MIDDLE EAST FZE

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **TCPL MIDDLE EAST FZE** (the "Establishment"), which comprises of the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Establishment as of 31 March 2022 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 Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises the Manager's report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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 Establishment'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 Establishment or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Establishment's financial reporting process.

Independent Auditors' Report to the Directors of TCPL MIDDLE EAST FZE

Report on the Audit of the Financial Statements (contd.)

Auditors' 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 Establishment'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 Establishment'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 Establishment 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.

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, proper books of account have been kept by the company and the financial statements are in agreement with the books of account. To the best of our knowledge and belief no violations of the Jebel Ali Free Zone Companies Implementing Regulations 2016 as amended or the articles of association of the Establishment have occurred during the year, which would have had a material effect on the business of the company or on its financial position.

For KSI Shah & Associates
Dubai, U.A.E.
Signed by:
Sonal P. Shah (Registration No. 123)

10 May 2022

TCPL MIDDLE EAST FZE

Statement of Financial Position

At 31 March 2022

	<i>Notes</i>	<i>2022 AED</i>	<i>2021 AED</i>
ASSETS			
Non-current asset			
Capital work in progress	6	<u>27,500</u>	<u>-</u>
Current assets			
Trade and other receivables	7	5,838,701	-
Prepayments		28,310	-
Cash and cash equivalents	8	<u>1,484,971</u>	<u>-</u>
		<u>7,351,982</u>	<u>-</u>
TOTAL ASSETS		<u>7,379,482</u>	<u>-</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	9	200,000	200,000
Accumulated (loss)		<u>(52,368)</u>	<u>(54,875)</u>
Equity funds		147,632	145,125
Shareholder's current accounts	10	<u>-</u>	<u>(200,000)</u>
Total equity		<u>147,632</u>	<u>(54,875)</u>
Non - current liability			
Provision for staff end of service gratuity		<u>1,250</u>	<u>-</u>
Current liabilities			
Trade and other payables	11	<u>7,230,600</u>	<u>54,875</u>
TOTAL EQUITY AND LIABILITIES		<u>7,379,482</u>	<u>-</u>

The accompanying notes 1 to 20 form an integral part of these financial statements.

The Independent Auditors' Report is set forth on pages 2 - 3.

Approved by the Board of Directors on 10th May 2022 and signed on their behalf by:

FOR TCPL MIDDLE EAST FZE

Mr. Saket Kanoria
Director

Mr. Paryank Ramesh Shah
Director

TCPL MIDDLE EAST FZE

Statement of Comprehensive Income
for the year ended 31 March 2022

	<i>Notes</i>	<i>Year ended 31 March 2022 AED</i>	<i>07 Mar. 2021 to 31 Mar. 2021 AED</i>
Sales	12	7,858,670	-
Cost of sales	13	<u>(7,566,903)</u>	<u>-</u>
Gross profit for the year/ period		291,767	-
Expenses	14	<u>(289,260)</u>	<u>(54,875)</u>
Profit/ (loss) for the year/period		2,507	(54,875)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year/period		<u><u>2,507</u></u>	<u><u>(54,875)</u></u>

The accompanying notes 1 to 20 form an integral part of these financial statements.

TCPL MIDDLE EAST FZE

Statement of Changes in Equity
for the year ended 31 March 2022

	<i>Share capital <u>AED</u></i>	<i>Accumulated (loss) <u>AED</u></i>	<i>Shareholder's current accounts <u>AED</u></i>	<i>Total <u>AED</u></i>
Share capital introduced	200,000	-	-	200,000
Funds (withdrawn) during the period	-	-	(200,000)	(200,000)
(Loss) for the period	<u>-</u>	<u>(54,875)</u>	<u>-</u>	<u>(54,875)</u>
As at 31 March 2021	200,000	(54,875)	(200,000)	(54,875)
Funds introduced during the year	-	-	200,000	200,000
Profit for the year	<u>-</u>	<u>2,507</u>	<u>-</u>	<u>2,507</u>
As at 31 March 2022	<u>200,000</u>	<u>(52,368)</u>	<u>-</u>	<u>147,632</u>

The accompanying notes 1 to 20 form an integral part of these financial statements.

TCPL MIDDLE EAST FZE

Statement of Cash Flows
for the year ended 31 March 2022

	<i>Year ended 31 March 2022</i>	<i>07 Mar. 2021 to 31 Mar. 2021</i>
<i>Note</i>	<i>AED</i>	<i>AED</i>
<u>Cash flows from operating activities</u>		
Profit/ (loss) for the year/period	2,507	(54,875)
Adjustments for:		
Provision for staff end of service gratuity	1,250	-
Operating profit/(loss) before working capital changes	3,757	(54,875)
Changes in trade and other receivables	(5,838,701)	-
Changes in prepayments	(28,310)	-
Changes in trade and other payables	7,175,725	54,875
Net cash from operating activities	1,312,471	-
<u>Cash flows from investing activities</u>		
Capital work in progress	(27,500)	-
Net cash (used in) investing activities	(27,500)	-
<u>Cash flows from financing activities</u>		
Share capital introduced during the year/period	-	200,000
Funds introduced/(withdrawn) by the shareholder	200,000	(200,000)
Net cash from financing activities	200,000	-
Net changes in cash and cash equivalents	1,484,971	-
Cash and cash equivalents at beginning of the year/ period	-	-
Cash and cash equivalents at end of the year/ period	7 1,484,971	-

The accompanying notes 1 to 20 form an integral part of these financial statements.

TCPL MIDDLE EAST FZE**Notes to the Financial Statements**
*for the year ended 31 March 2022***1. Legal status and business activity**

- a) **TCPL MIDDLE EAST FZE** ("The Establishment") is a free zone establishment registered on 07 March 2021 in Jebel Ali Free Zone, U.A.E, under the trade license No. 188312.
- b) The Establishment is registered to carry out activity of trading in paper and paper products, ink & printing material, plastic bags & containers and packing & packaging materials.

2. Basis of preparation**a) Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 January 2021 and the applicable rules and regulations of the Jebel Ali Free Zone.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Establishment takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

c) Functional and presentation currency

These financial statements are presented in U.A.E. Dirhams, which is the Establishment's functional and presentation currency.

3. Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

TCPL MIDDLE EAST FZE

Notes to the Financial Statements

for the year ended 31 March 2022

Use of estimates and judgments (cont.)

As a result of the COVID-19 and the resulting disruptions to the social and economic activities, the Establishment continues to assess regularly the impact of COVID-19 on its business, in particular in revenue and the estimation of expected credit loss/fair value and collectability of receivables. The management considered several foreseeable areas of operational risk and implemented various measures to ensure the continuity of the operations and the ability of the organization to cope with the lock-down situation.

Judgments made in applying accounting policies

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Revenue from contracts with customers

Sale of goods

- **Timing for transfer of control of goods:**

In case of performance obligation satisfied at point in time, the control of goods is transferred, when physical delivery of the goods to the agreed location has occurred, as a result, the Establishment has a present right to payment and retains none of the significant risks and rewards of the goods.

- **Financing components:**

The Establishment does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Establishment does not adjust any of the transaction prices for the time value of money.

- **Determining the transaction price:**

The Establishment's revenue from sale of goods is derived from fixed price contracts with customers and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Based on the historical performance of the Establishment, it is highly probable that there will not be reversal of previously recognized revenue on account of the return of goods or volume rebates.

- **Allocating the transaction prices:**

There is a fixed unit price for each item sold to the customer. Therefore, there is no judgment involved in allocating the contract price to each unit ordered in contracts with customers. Where a customer orders more than one item, the Establishment is able to determine the split of the total contract price between each item by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

TCPL MIDDLE EAST FZE**Notes to the Financial Statements**
for the year ended 31 March 2022

- **Provision of rights to return goods, volume rebates and other similar obligations**

The Establishment reviews its estimate of expected returns at each reporting date on basis of the historical data for the returns, rebates and other similar obligations and updates the amounts of the asset and liability accordingly.

Impairment of non-financial assets

At each reporting date, management conducts an assessment of capital work in progress to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

Financial assets at amortized cost

The Establishment classifies its financial assets as at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Key sources of estimation uncertainty and assumptions

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

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about risk of default and expected loss rates. The Establishment uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets

Assessments of net recoverable amounts of capital work in progress are based on assumptions regarding future cash flows expected to be received from the related assets.

TCPL MIDDLE EAST FZE

Notes to the Financial Statements for the year ended 31 March 2022

4. Adoption of new International Financial Reporting Standards

a) New and revised International Financial Reporting Standards

The following International Financial Reporting Standards (IFRSs), amendments and interpretations issued by IASB that became effective for the current reporting period:

- Amendments to IFRS 16 Leases- COVID-19-Related Rent Concessions beyond 30 June 2021
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16- Interest Rate Benchmark Reform-IBOR 'Phase 2'

During the current year, the management has adopted the above amendments to the extent applicable to them from their effective dates.

These amendments have no significant impact on the amounts reported in these financial statements. Their adoption has resulted in presentation and disclosure changes only.

b) International Financial Reporting Standards issued but not effective

Amendments to IAS 16-Property, Plant and Equipment: Proceeds before Intended Use
The effective date of the amendments is set for annual periods beginning on or after 1 January 2022

Amendments to IAS 37-Onerous Contracts – Cost of Fulfilling a Contract: The effective date of the amendments is set for annual periods beginning on or after 1 January 2022.

Amendments to IFRS 3- References to the Conceptual - The effective date of the amendments is set for annual periods beginning on or after 1 January 2022.

Annual Improvements to IFRS Standards 2018–2020 – Amendments to IFRS 1, IFRS 9, IFRS 16 Leases and IAS 41. The effective date of the amendments is set for annual periods beginning on or after 1 January 2022.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current - The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies - The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 8-Definition of accounting estimates – The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

TCPL MIDDLE EAST FZE

Notes to the Financial Statements for the year ended 31 March 2022

International Financial Reporting Standards issued but not effective (contd.)

Amendments to IAS 12-Deferred tax related to assets and liabilities arising from a single transaction – The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

IFRS17 -Insurance Contracts and amendments to IFRS 17- The effective date of the standard is set for annual periods beginning on or after 1 January 2023.

The Establishment has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

5. Significant accounting policies

a) Depreciation of fixed assets

Minor purchases of fixed assets are depreciated fully in the year of purchase. No depreciation is charged on capital work-in-progress.

b) Financial instruments

i. Recognition and Initial measurement

The Establishment recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition.

i. Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified as follows:

Financial assets at amortized cost (debt instruments)

Financial assets that are held within a business model whose objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest are subsequently measured at amortized cost less impairments, if any.

Interest income calculated using effective interest rate (EIR) method and impairment loss, if any are recognized in the statement of profit and loss. Gains and losses are recognized in profit or loss when the asset is de-recognized, modified or impaired.

The Establishment's financial assets at amortized cost include trade and other receivables and cash and cash equivalents. Due to the short term nature of these financial assets, their carrying amounts are considered to be the same as their fair value.

TCPL MIDDLE EAST FZE

Notes to the Financial Statements for the year ended 31 March 2022

ii. Classification and subsequent measurement of financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as follows:

- Amortised cost - Financial liabilities are classified as financial liabilities at amortised cost by default. Interest expense calculated using EIR method is recognised in the statement of profit and loss.
- Fair value through profit or loss (FVTPL) Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expense on these liabilities are recognised in the statement of profit and loss.

The Establishment's financial liabilities include trade and other payables. The carrying amounts of financial liabilities are considered as to be the same as their fair values, due to its short term nature.

iii. Derecognition of financial assets and financial liabilities

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Establishment has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - the Establishment has transferred substantially all the risks and rewards of the asset, or
 - the Establishment has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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.

iv. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

TCPL MIDDLE EAST FZE

Notes to the Financial Statements for the year ended 31 March 2022

c) **Impairment of financial assets**

The Establishment recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Establishment expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages.

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months.
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

For other financial assets, the Establishment applies a simplified approach in calculating expected credit losses. The Establishment does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date.

d) **Foreign currency transactions**

Transactions in foreign currencies are converted into U.A.E. Dirhams at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the balance sheet date. Resulting gain or loss is taken to the Statement of comprehensive income.

e) **Impairment of non-financial assets**

The Establishment assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Establishment estimates the asset's recoverable amount.

Where the carrying amount of an asset or cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the Statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the Statement of comprehensive income.

TCPL MIDDLE EAST FZE

Notes to the Financial Statements for the year ended 31 March 2022

f) Provision

Provisions are recognized when the Establishment has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

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

g) Short-term leases and leases of low value assets

The Establishment applies the short-term lease recognition exemption to its short-term lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

h) Value Added Tax

The revenue, expenses and assets are recognized net of value-added tax (VAT). In case Input VAT paid to the supplier of asset or expense is not recoverable from the Federal Tax Authority, it is disclosed as part of asset acquired or expense incurred.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from or VAT payable to, Federal Tax Authority is disclosed as other payable or other receivable under current liabilities or current assets in the statement of financial position.

i) Revenue recognition

Sales of goods

The Establishment has traded in packing materials during the year.

Revenue from sale of goods is recognized at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer or at the location specified by the customer and has been accepted by the customer and there is no unfulfilled obligation that could affect customer's acceptance of the goods. Delivery occurs when the goods have reached to the specific location, the risks of obsolescence and loss have been transferred to the customer or the Establishment has objective evidence that all criteria for acceptance have been satisfied.

The amount of revenue is shown as net of discounts, returns and other similar obligations as per the performance obligations determined as per the provisions of the contracts with customers.

TCPL MIDDLE EAST FZE

Notes to the Financial Statements for the year ended 31 March 2022

j) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

k) Dividend

Dividend is paid out of accumulated profits, when declared.

2022	2021
<u>AED</u>	<u>AED</u>

6. Capital work in progress

Interior and fit out works ^a	<u>27,500</u>	<u>-</u>
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^a Represents 50% advance payment for interior and fit out works in the rented office premises of the Establishment (refer note 18).

7. Trade and other receivables

Trade receivables	5,821,718	-
Other receivables	6,820	-
Deposits	<u>10,163</u>	<u>-</u>
	<u>5,838,701</u>	<u>-</u>

8. Cash and cash equivalents

Bank balance in current account	<u>1,484,971</u>	<u>-</u>
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9. Share capital

Authorized, issued and subscribed capital	<u>200,000</u>	<u>200,000</u>
200 shares of nominal value of AED 1,000/- each		

10. Shareholder's current accounts

This amount represented the current account balance of TCPL Packaging Limited, India the sole shareholder of the Establishment.

2022	2021
<u>AED</u>	<u>AED</u>

11. Trade and other payables

Trade payables (refer note 15)	6,985,560	-
Other payables	137,374	-
Accruals and provisions	<u>107,666</u>	<u>54,875</u>
	<u>7,230,600</u>	<u>54,875</u>

TCPL MIDDLE EAST FZE

Notes to the Financial Statements
for the year ended 31 March 2022

	<i>Year ended 31 March 2022 <u>AED</u></i>	<i>07 Mar. 2021 to 31 Mar. 2021 <u>AED</u></i>
12. Sales		
Sales of packing materials	<u>7,858,670</u>	<u>-</u>
13. Cost of sales		
Purchase of packing materials (refer note 15)	<u>7,566,903</u>	<u>-</u>
14. Expenses		
Salaries and benefits	57,969	-
Rent expense	9,750	-
Other administrative expenses	<u>221,541</u>	<u>54,875</u>
	<u>289,260</u>	<u>54,875</u>

15. Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Establishment, if the Establishment has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making that party's financial and operating decisions, or vice versa, or where the Establishment and the party are subject to common control and includes where the Establishment has significant influence but not control, and generally does not have any controlling shareholding on the entity whose accounts are presented. Related party may be individuals or other companies.

The nature and amount of significant transactions during the year are as under:

	<i>Year ended 31 March 2022 <u>AED</u> Parent company</i>	<i>Year ended 31 March 2022 <u>AED</u> Total</i>	<i>07 Mar. 2021 to 31 Mar. 2021 <u>AED</u> Total</i>
Purchase of packing material (note 13)	7,566,903	7,566,903	-

As on the reporting date, the balances with related party are as follows:

	<i>Parent company 2022 <u>AED</u></i>	<i>2021 <u>AED</u></i>
Included in current liabilities:		
<u>Trade and other payables:</u>		
Trade payables (refer note 11)	6,985,560	-

TCPL MIDDLE EAST FZE**Notes to the Financial Statements**
*for the year ended 31 March 2022***16. Financial instruments: Credit, interest rate, liquidity risk and exchange rate risk exposures**

The Establishment has exposure to the following risks from its use of financial instruments:

- a) Credit risk
- b) Market risk
- c) Liquidity risk

a) Credit risk

Financial assets, which potentially expose the Establishment to concentrations of credit risk comprise principally of trade and other receivable and bank balance.

Trade receivables

As at 31 March 2022, the Establishment's maximum and significant exposure to credit risk from trade receivable within U.A.E. amounted to AED 5,630,290/- due from one customer (*previous period: AED Nil*)

There was no significant concentration of credit risk from trade receivables situated outside U.A.E. or outside industry as on the reporting date.

Bank balance

The Establishment's bank balance in current account is placed with high credit quality financial institutions.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as exchange rate risk, interest rate risk or other price risk, which will affect the Establishment's income or the value of its holding of financial instruments.

Interest rate risk

Since the Establishment does not have any deposits or borrowings, interest rate risk is minimum.

Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirham or US Dollars to which U.A.E. Dirham is fixed.

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Notes to the Financial Statements for the year ended 31 March 2022

c) Liquidity risk

Liquidity risk is the risk that the Establishment will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the owners and the management who ensure that sufficient funds are made available to the Establishment to meet any future commitments.

17. Financial instruments: Fair values

The fair values of the Establishment's financial assets, comprising of trade and other receivables and bank balance and financial liabilities comprising of trade and other payables that approximate to their carrying values.

	<i>2022</i> <u>AED</u>	<i>2021</i> <u>AED</u>
18. Capital commitment		
Interior and fit out works (<i>refer note 6</i>)	<u>27,500</u>	<u>-</u>

19. Contingent liability

There was no contingent liability of a significant amount outstanding as at the reporting date.

20. Comparative figures

- a) Previous period's figures have been regrouped/ reclassified wherever necessary to conform to the presentation adopted in the current year.
- b) Previous period's figures are for one month whereas the current year's figures are for twelve months and hence are not comparable.