

AMINES AND PLASTICIZERS FZ LLC
RAK ECONOMIC ZONE
RAS AL KHAIMAH - U.A.E

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED MARCH 31, 2022

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AL BASHA

AUDITING & ACCOUNTING
CHARTERED ACCOUNTANTS



الباشا
للتدقيق والمحاسبة
محاسبون قانونيون

Ref: 22080/2022

INDEPENDENT AUDITOR'S REPORT

To
The Shareholder
AMINES AND PLASTICIZERS FZ LLC
Rak Economic Zone
Ras Al Khaimah - U.A.E

Report on the Audit of the Financial Statement

Opinion

We have audited the financial statements of AMINES AND PLASTICIZERS FZ LLC (Free Zone Company with limited liability), which comprise the statement of financial position as at 31 March 2022 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AMINES AND PLASTICIZERS FZ LLC as at 31 March 2022 and of its financial performance and its cash flows for the year 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA) Code 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.

Emphasis of Matter

Without qualifying the report, we would like to draw the attention that the Company has registered a deficit equity of Dhs. 127,334/- which is due to the continues accumulated losses. These condition raise doubts whether the Company will be able to continue as a going concern. The commercial operations of the company was started only from August 2021 and the management is optimistic about the growth reported during the financial year. Hence, these financial statement are prepared on a going concern basis and do not include any adjustment relating to recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as going concern, as the shareholders have resolved to provide such financial support as may be required to enable the Company to meet its debts and obligation as they fall due.

Responsibilities of the Management and the Board of Directors for the financial statements

The Management and the Board of Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the IASB, and for such internal control as the Board of Directors 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, the Management and the Board of Directors are responsible for assessing the Company'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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Management and the Board of Directors are responsible for overseeing the Company's financial reporting process.

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.

Report on the Audit of the Financial Statements (continued)

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and the Board of Directors.
- Conclude on the appropriateness of the Management and the Board of Directors 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw the attention in our auditor's report 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 Company 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 a true and fair view.

We communicate with those charged with governance regarding, other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, the financial statements include in all material respects, the applicable requirements of the Ras Al Khaimah Economic Zone (RAKEZ), under decree (2) of 2017 and the articles of association of the Company; proper books of account have been kept by the Company and the contents of the report of the Board of Directors relating to these financial statement are consistent with the books of account. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violation of the Ras Al Khaimah Economic Zone (RAKEZ), under decree (2) of 2017 or of the article of association of the Company have occurred during the year which would have a material effect on the business of the Company or on its financial position

Notes 1 to 12 to the financial statements form an integral part of our report.

**For Al Basha Accounting and Auditing
Chartered Accountants**

Dr. Mohammad Houssein Al Jeroudy
Managing Director
Reg. No. 216
Sharjah, 20th May, 2022



AMINES AND PLASTICIZERS FZ LLC
RAK ECONOMIC ZONE
RAS AL KHAIMAH - UAE

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022
(In AED)

	Note	2022	2021
ASSETS			
Current Assets			
Cash and Bank Balances	5	627,716	54,586
Deposits, Advances & Prepayments	6	2,825,899	73,635
Accounts Receivable	7	58,750	-
Total Current Assets		3,512,365	128,221
TOTAL ASSETS		3,512,365	128,221
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current Liabilities			
Due to Related Party	8	3,268,979	44,247
Other Payables		12,180	-
Provisions & Accruals	9	108,540	3,680
Total Current Liabilities		3,389,699	47,927
Non-Current Liabilities			
Long Term Loan	10	250,000	250,000
Total Non-Current Liabilities		250,000	250,000
TOTAL LIABILITIES		3,639,699	297,927
Shareholder's Equity			
Share Capital	2	100,000	100,000
Retained Earnings	11	(227,334)	(269,706)
Total Shareholders' Equity		(127,334)	(169,706)
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		3,512,365	128,221

The financial statements on pages 3 to 14 were approved on 18th May, 2022 and signed on its behalf by:

(Director)

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AMINES AND PLASTICIZERS FZ LLC
RAK ECONOMIC ZONE
RAS AL KHAIMAH - UAE

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2022
(In AED)**

	Note	2022	2021
<u>REVENUE</u>			
Net Revenue		6,071,908	-
Less: Cost of Revenue		(5,745,055)	-
Gross Profit		<u>326,853</u>	<u>-</u>
<u>DEDUCT</u>			
General & Administration Expenses	12	(275,722)	(47,050)
Financial Charges		(9,095)	(8,400)
		<u>(284,817)</u>	<u>(55,450)</u>
Profit/(Loss) for the year		42,036	-
Other Income		336	-
Total comprehensive profit/(loss) for the year		<u>42,372</u>	<u>(55,450)</u>

The financial statements on pages 3 to 14 were approved on 18th May, 2022 and signed on its behalf by:

(Director)



AMINES AND PLASTICIZERS FZ LLC
RAK ECONOMIC ZONE
RAS AL KHAIMAH - UAE

**STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED MARCH 31, 2022**
(In AED)

	<u>Shareholder's Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance as at March 31, 2020	100,000	(214,256)	(114,256)
- Total comprehensive (loss) for the year	-	(55,450)	(55,450)
Balance as at March 31, 2021	100,000	(269,706)	(169,706)
- Total comprehensive profit for the year	-	42,372	42,372
Balance as at March 31, 2022	100,000	(227,334)	(127,334)

The financial statements on pages 3 to 14 were approved on 18th May, 2022 and signed on its behalf by:

(Director)



AMINES AND PLASTICIZERS FZ LLC
RAK ECONOMIC ZONE
RAS AL KHAIMAH - UAE

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2022
(In AED)

	<u>2022</u>	<u>2021</u>
Cash flow from Operating activities :		
Total comprehensive profit/(loss) for the year	42,372	(55,450)
Adjustments for :		
Depreciation	-	-
Operating profit before changes in	<u>42,372</u>	<u>(55,450)</u>
Operating Assets and Liabilities :		
(Increase) / Decrease in Deposits, Advances & Prepayments	(2,752,264)	919
(Increase) / Decrease in Accounts Receivable	(58,750)	-
(Decrease) / Increase in Provisions & Accruals	104,860	-
(Decrease) / Increase in Accounts Payable	12,180	-
(Decrease) / Increase in Due to Related Party	3,224,732	-
Net Cash inflow/(outflow) from Operating activities	<u>573,130</u>	<u>(54,531)</u>
Cash flow from Investing activities :		
Purchase of property, plant & equipment	-	-
Net Cash inflow /(outflow) from Investing activities	<u>-</u>	<u>-</u>
Cash flow from Financing activities :		
Net Loan Availment / (Repayment) during the year	-	-
Net Cash inflow /(outflow) from Financing activities	<u>-</u>	<u>-</u>
Net Increase/(Decrease) in cash and cash equivalents	<u>573,130</u>	<u>(54,531)</u>
Cash and cash equivalents at beginning of the year	54,586	109,117
Cash and Cash equivalents at end of the year	<u>627,716</u>	<u>54,586</u>
Represented by:		
Cash in Hand	-	-
Cash at Bank	627,716	54,586
	<u>627,716</u>	<u>54,586</u>

The financial statements on pages 3 to 14 were approved on 18th May, 2022 and signed on its behalf by:

(Director)



**AMINES AND PLASTICIZERS FZ LLC
RAK ECONOMIC ZONE
RAS AL KHAIMAH - U.A.E**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED MARCH 31, 2022**

1. Legal status and business activity:

- 1.1 **AMINES AND PLASTICIZERS FZ LLC**, RAK Economic Zone - Ras Al Khaimah (“Free Zone Company with limited liability”) is incorporated on May 24, 2016 , under General Trading License issued by the Rak Economic Zone, Government of Ras Al Khaimah.
- 1.2 The main activities of the Company as per General Trading License are General Trading.
- 1.3 These financial statements incorporate the operating result of General Trading License No. 7001818.
- 1.4 The registered office of the Company is located at B04-207, Business Centre 03, RAKEZ Business Zone-FZ, Ras Al Khaimah, UAE.

2 Shareholder’s capital:

Authorized, issued and paid up Share Capital of the Company is AED 100,000/-divided into 100 shares of AED 1,000/- each fully paid.

<u>Name</u>	<u>No. of Shares</u>	<u>Amount AED</u>
M/s Amines & Plasticizers Limited	100	100,000/-

AMINES AND PLASTICIZERS FZ LLC
RAK ECONOMIC ZONE
RAS AL KHAIMAH - U.A.E

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED MARCH 31, 2022

3 Adoption of new and revised International Financial Reporting Standards (IFRSs):

3.1 New standards, interpretations and amendments effective for the current year

The following new and revised standards and interpretations have been adopted in the current year with no material impact on the disclosures and amounts reported for the current and previous years but may affect the accounting for future transactions or arrangements:

Amendments to references to the Conceptual Framework in IFRS standards

Amendments to References to the Conceptual Framework in IFRS Standards related IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.

Definition of Business - amendments to IFRS 3

The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. IASB also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs'.

Definition of Material – amendments to IAS 1 and IAS 8

The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

Interest Rate Benchmark Reform – Phase 2, amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 & IFRS 16

The amendments complement those issued in September 2019 and focus on the effects on financial statements when an entity replaces a previous interest rate benchmark with an alternative benchmark rate as a result of Interbank Offered Rates (IBOR) reform. The Phase 2 amendments had no impact on the financial information of the Company. Management will continue to monitor relevant developments and will evaluate the impact of the Phase 2 amendments on the financial information as IBOR reform progresses.

Business Combinations - amendments to IFRS 3

The amendment states that, when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.

AMINES AND PLASTICIZERS FZ LLC
RAK ECONOMIC ZONE
RAS AL KHAIMAH - U.A.E

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED MARCH 31, 2022**

**New standards, interpretations and amendments effective for the current year
(Continued...)**

IAS 16 - Property, Plant and Equipment

This amendment states that, the accounting treatment for most types of property, plant, and equipment. Property, plant, and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that it's depreciable amount is allocated on a systematic basis over its useful life.

3.2 New standards, interpretations and amendments in issue but are not yet effective

At the date of Authorization of these financial statements, the company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

<u>New and Revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 4 relating to amendments regarding the expiry date of the deferral approach. The fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9.	1 January 2023
Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction.	1 January 2023
<i>Disclosure of Accounting Policies</i> - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
IFRS 17 <i>Insurance Contracts</i>	1 January 2023
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	1 January 2023
<i>Definition of Accounting Estimates</i> - Amendments to IAS 8	1 January 2023
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely. Adoption is still permitted.

The management believes that the adoption of the above amendments is not likely to have any significant impact on the financial statements of the Company for future years.

AMINES AND PLASTICIZERS FZ LLC
RAK ECONOMIC ZONE
RAS AL KHAIMAH - U.A.E

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED MARCH 31, 2022**

4 Summary of significant accounting policies:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Boards (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), and applicable requirements of the U.A.E. Law. A summary of the significant accounting policies, which have been applied consistently, are set out as follows:

a) Accounting Convention

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

b) Accrual accounting

Generally the accrual method of accounting followed for the recognition of revenue and expenses.

c) Property, Plant and Equipments

There are no Fixed Assets as of the balance sheet date, as confirmed by the management.

d) Inventories

There are no inventories as on the balance sheet date, as confirmed by the management.

e) Employee's Terminal Benefits

Staff Statutory Benefits are being accounted upon payments.

f) Financial Expenses

Financial expenses are accounted in the statement of income in the year in which they are incurred.

g) Provisions

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

AMINES AND PLASTICIZERS FZ LLC
RAK ECONOMIC ZONE
RAS AL KHAIMAH - U.A.E

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED MARCH 31, 2022**

h) Financial Instruments

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

i) Foreign Currencies

Foreign currency transactions are converted into UAE Dirhams at the rate of exchange prevailing on the date of transactions. Any resulting gain or loss by exchange rate fluctuations of foreign currency account are treated as income or expenses.

j) Trade Receivables

Sales made on credit are included in trade receivables at the balance sheet date, as reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as they arise.

k) Trade Payables

There are no trade payables as of the balance sheet date, as confirmed by the management.

l) Comparative Figures

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year.

m) Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of cash flow statement consists of cash on hand and Cash at Bank.

n) General

Figures in the financial Statements are rounded off to the nearest UAE Dirhams.

AMINES AND PLASTICIZERS FZ LLC
RAK ECONOMIC ZONE
RAS AL KHAIMAH - UAE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED MARCH 31, 2022
(In AED)

	<u>2022</u>	<u>2021</u>
5 CASH AND BANK BALANCE		
Cash in Hand	-	-
Cash at Bank	627,716	54,586
	<u>627,716</u>	<u>54,586</u>
6 DEPOSITS, ADVANCES AND PREPAYMENTS		
Fixed Deposit with Bank	60,336	60,000
Refundable Deposits	16,532	8,350
Advance to suppliers	2,743,078	-
Prepayments	5,953	5,285
	<u>2,825,899</u>	<u>73,635</u>
7 ACCOUNTS RECEIVABLES		
Accounts Receivable	58,750	-
	<u>58,750</u>	<u>-</u>
8 RELATED PARTIES TRANSACTIONS		

The Company enters into transactions with Companies and entities that fall within the definition of a related party as contained in International Financial Reporting Standards (IFRS). Related parties comprise Company and entities under common ownership and/ or common management and control; their partners and key management personnel.

AMINES AND PLASTICIZERS FZ LLC
RAK ECONOMIC ZONE
RAS AL KHAIMAH - UAE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED MARCH 31, 2022
(In AED)

RELATED PARTIES TRANSACTIONS (Continued..)

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

The Company provides/receives funds to/from related parties as when required as working capital facilities.

At the balance sheet date, due from/to a related party was as follows:

DUE TO RELATED PARTY

	<u>2022</u>	<u>2021</u>
M/s. Amines & Plasticizers Limited	44,247	44,247
M/s. Amines & Plasticizers Limited - Advance Against the Purchase	3,224,732	-
	<u>3,268,979</u>	<u>44,247</u>

9 PROVISIONS AND ACCRUALS

	<u>2022</u>	<u>2021</u>
Accrued expenses	2,500	3,680
Freight and Customs charges payable	106,040	-
	<u>108,540</u>	<u>3,680</u>

10 LONG TERM LOAN

	<u>2022</u>	<u>2021</u>
M/s. Amines & Plasticizers Limited	250,000	250,000
	<u>250,000</u>	<u>250,000</u>

This represents the unsecured loan received from the shareholder without any fixed repayment schedule and interest rate.

AMINES AND PLASTICIZERS FZ LLC
RAK ECONOMIC ZONE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED MARCH 31, 2022
(In AED)

	<u>2022</u>	<u>2021</u>
11 <u>RETAINED EARNINGS</u>		
Opening Balance b/f	(269,706)	(214,256)
Total comprehensive profit/ (loss) for the year	42,372	(55,450)
Closing Balance c/f	<u>(227,334)</u>	<u>(269,706)</u>
12 <u>GENERAL & ADMINISTRATION EXPENSES</u>		
Lease, License & Other Government Fees	47,804	37,958
Legal, Professional & Visa Charges	7,190	7,926
Insurance Expenses	4,246	432
Freight Charges	213,791	-
Communication Expenses	2,456	-
Other General & Administration Expenses	235	734
	<u>275,722</u>	<u>47,050</u>