

*Confidential*

FINANCIAL STATEMENTS OF  
TAPTI PIPES & PRODUCTS LIMITED FZE  
HAMRIYA FREE ZONE  
SHARJAH U.A.E.  
FOR THE YEAR ENDED  
31 MARCH 2021

AL RAMMAHI AUDITING OF ACCOUNTS

CHARTERED ACCOUNTANTS

DUBAI

UNITED ARAB EMIRATES

## CONTENTS

1. INDEPENDENT AUDITORS' REPORT
2. STATEMENT OF FINANCIAL POSITION
3. STATEMENT OF PROFIT AND LOSS
4. STATEMENT OF CASH FLOWS
5. STATEMENT OF CHANGES IN EQUITY
6. SCHEDULE OF NOTES TO THE FINANCIAL STATEMENTS

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**INDEPENDENT AUDITORS' REPORT**

**TO THE SHAREHOLDERS OF**  
**M/s. TAPTI PIPES & PRODUCTS LIMITED FZE**  
**HAMRIYAH FREE ZONE**  
**SHARJAH - (U.A.E.)**

***Opinion***

We have audited the financial statements ("the financial statements") of **M/s. TAPTI PIPES & PRODUCTS LIMITED FZE, HAMRIYAH FREE ZONE, SHARJAH, UNITED ARAB EMIRATES** (the "Company") which comprise the balance sheet as at **31st March 2021**, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the Company's financial statements, including a summary of significant accounting policies set out on Pages 4 to 12.

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

***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 section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants Code of Ethics for Professional Accounts (IESBA Code), and have fulfilled our other ethical responsibilities in accordance with the requirements. 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 our opinion, we draw attention to the following:

- \* Advances to suppliers and other receivables (Note 5b) balances were confirmed by the management. The recovery of advances to suppliers does not look possible in the near future as per confirmation by the management. Hence it is classified as Non-Current Assets in the Balance Sheet.
- \* Trade receivables as on 31st March 2021 are confirmed by the management, however no independent balance confirmation has been received from debtors. The management believes trade receivables will not be realised in near future. Hence, it is classified as Non-Current Assets in the Balance Sheet.



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*Independent Auditor's Report (Contd...)*  
*M/s. Tapti Pipes & Products Limited, Sharjah*  
*Year Ended 31 March 2021*

***Management's responsibility for the financial statements***

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with applicable law in United Arab Emirates and International Financial Reporting Standards, and such internal control as the management determines is necessary to enable the presentation of financial statements that are free from materials 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 related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company, or to cease operations, or have no realistic alternative but to do so.

***Auditors' Responsibilities***

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 misstatements 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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*Independent Auditor's Report (Contd...)*  
*M/s. Tapti Pipes & Products Limited, Sharjah*  
*Year Ended 31 March 2021*

***Auditors' Responsibilities (Cont'd)***

- \* 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 Company'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 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 fair presentation.
- \* Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company's audit. We remain solely responsible for our audit opinion.

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

***Report on Other Regulatory Matters***

We further confirm that we have obtained all information and explanations necessary for our audit, that proper financial records have been kept by the Company and that these financial statements are in agreement with the Company's financial records.

We further confirm that the financial statements comply with the applicable provisions of the company's Memorandum of Association and the provisions of Implementing Procedures issued by the Hamriyah Free Zone Authority pursuant to Emiri Decree No. (6) of 1995.

*Al Rammahi Auditing*

**AL RAMMAHI AUDITING OF ACCOUNTS**  
**CHARTERED ACCOUNTANTS**  
**DUBAI**  
Registration No.615  
Date: 6 June 2021



**TAPTI PIPES & PRODUCTS LIMITED FZE  
HAMRIYAH FREE ZONE, SHARJAH (U.A.E.)**

**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2021

	Notes	31-03-2021	(in US Dollars) 31-03-2020
<b>ASSETS EMPLOYED</b>			
<b>Current Assets</b>			
Cash and bank balances	4	1,670	620
<b>Total current assets</b>		<b>1,670</b>	<b>620</b>
<b>Non-current assets</b>			
Accounts receivables and prepayments	5	9,968,857	9,981,275
<b>Total non-current assets</b>		<b>9,968,857</b>	<b>9,981,275</b>
<b>Total assets</b>		<b>9,970,527</b>	<b>9,981,895</b>
<b>SHAREHOLDERS' FUNDS AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital		8,783,462	8,783,462
Retained earnings		(66,271)	(54,980)
Shareholders' current account		1,252,051	1,252,051
<b>Total shareholders' funds</b>		<b>9,969,242</b>	<b>9,980,533</b>
<b>Current Liabilities</b>			
Accrued expenses		1,285	1,362
<b>Total current liabilities</b>		<b>1,285</b>	<b>1,362</b>
<b>Total liabilities</b>		<b>1,285</b>	<b>1,362</b>
<b>Total shareholders' funds and liabilities</b>		<b>9,970,527</b>	<b>9,981,895</b>

The Notes referred to above form an integral part of these financial statements

For TAPTI PIPES & PRODUCTS LIMITED FZE

  
DIRECTOR

INDEPENDENT AUDITORS' REPORT - PAGE 1 to 3





**TAPTI PIPES & PRODUCTS LIMITED FZE  
HAMRIYAH FREE ZONE, SHARJAH (U.A.E.)**

**STATEMENT OF PROFIT AND LOSS**

For the year ended 31 March 2021

	Notes	(In US Dollars)	
		For the year	
		2021	2020
Sales		-	-
Gross Profit		-	-
<u>Operating Expenses</u>			
Administrative expenses	6	11,291	12,964
		<u>11,291</u>	<u>12,964</u>
<b>NET (LOSS) FOR THE YEAR</b>		<u><b>(11,291)</b></u>	<u><b>(12,964)</b></u>

The Notes referred to above form an integral part of these financial statements

For TAPTI PIPES & PRODUCTS LIMITED FZE

  
DIRECTOR



INDEPENDENT AUDITORS' REPORT - PAGE 1 to 3



**TAPTI PIPES & PRODUCTS LIMITED FZE  
HAMRIYAH FREE ZONE, SHARJAH (U.A.E.)**

**CASH FLOW STATEMENT**

For the year ended 31 March 2021

	<u>Notes</u>	<u>31-03-2021</u>	<u>(in US Dollars)</u> <u>31-03-2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net (loss) for the year		(11,291)	(12,964)
Decrease in accounts receivable & prepayments		12,418	20,000
(Decrease) in accrued expenses		(77)	(10,594)
Net Cash received from/(used in) operating activities		<u>1,050</u>	<u>(3,558)</u>
Increase/(decrease) in cash and cash equivalents		1,050	(3,558)
Cash and cash equivalents - beginning of the year		620	4,178
Cash and cash equivalents - end of the year	7	<u>1,670</u>	<u>620</u>

The Notes referred to above form an integral part of these financial statements

For TAPTI PIPES & PRODUCTS LIMITED FZE

  
DIRECTOR

INDEPENDENT AUDITORS' REPORT - PAGE 1 to 3





**TAPTI PIPES & PRODUCTS LIMITED FZE  
HAMRIYAH FREE ZONE, SHARJAH (U.A.E.)**

**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 March 2021

(in US Dollars)

	Share Capital	Retained Earnings	Shareholders' Current A/c.	Total
Balance as on 1 April 2019	8,783,462	(42,016)	1,252,051	9,993,497
Net (loss) for the year	-	(12,964)	-	(12,964)
Balance as on 31 March 2020	8,783,462	(54,980)	1,252,051	9,980,533
Net (loss) for the year	-	(11,291)	-	(11,291)
Balance as on 31 March 2021	<u>8,783,462</u>	<u>(66,271)</u>	<u>1,252,051</u>	<u>9,969,242</u>

For TAPTI PIPES &amp; PRODUCTS LIMITED FZE

  
DIRECTOR

INDEPENDENT AUDITORS' REPORT - PAGE 1 to 3



**TAPTI PIPES & PRODUCTS LIMITED FZE  
HAMRIYAH FREE ZONE, SHARJAH (U.A.E.)**

**SCHEDULE OF NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

For the year ended 31 March 2021

(Figures in US Dollars)

**1. LEGAL STATUS**

- 1.1 M/s. TAPTI PIPES & PRODUCTS LIMITED, HAMRIYAH FREE ZONE, SHARJAH, U.A.E. is a free zone company under Commercial licence No. 7599 incorporated on 13 March 2011, issued by Hamriyah Free Zone Authority, Sharjah, U.A.E. The following are its shareholders:

<u>Name of the shareholder</u>	<u>Share in Capital</u>
M/s. Texmo Pipes & Products Limited, India.	100%
Total	<u>100%</u>

- 1.2 The principal activity of the company is general trading.
- 1.3 The principal place of business of the company is located at ELOB Office No. E2-113F-43, P.O.Box 49509, Hamriyah Free Zone, Sharjah, U.A.E.

**2. BASIS OF PREPARATION**

2.1 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and interpretations issued by the Standards Interpretations Committee of the IASB.

2.2 Basis of measurement

These financial statements have been prepared under the going concern assumption and historical cost convention except in respect of financial instruments, which are presented at fair values and properly disclosed elsewhere in the report.

2.3 Basis of accounting

Income and expenditure have been accounted on accrual basis. Under accrual basis, the transactions and events are recognised as and when they occur and are recorded in the financial statements for the period they relate to.

2.4 Functional and Presentation currency

The financial statements are presented in United States Dollars (USD) which is also the company's functional currency. All financial information presented in USD has been rounded off to the nearest US Dollars.

2.5 Use of estimates & judgements

The preparation of Financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of policies and reported amounts of assets, liabilities, incomes and expenses.

Actual results may differ from these estimate. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected. During the year, there are no estimates or judgements, or any changes therein, that are material in nature.





## NOTES TO THE FINANCIAL STATEMENTS

### 2.6 Changes in accounting policies and disclosures

The following new and revised Standards including amendments thereto and interpretations which became effective for the current reporting period have been adopted, wherever applicable. The adoption has not had any significant impact on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

- \* Amendments to IFRS 3: Definition of a Business.
- \* Amendments to References to the Conceptual Framework in IFRS Standards.
- \* Amendments to IAS 1 and IAS 8: Definition of Material
- \* Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rebate Benchmark Reform
- \* Amendments to IFRS 16: Covid -19- Related Rent Concessions

The following Standards, amendments thereto and Interpretations have been issued prior to 31 December 2020 but have not been applied in these financial statements as their effective dates of adoption are for future period. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures within the financial statements.

- \* IFRS 17: Insurance Contracts - 1 January 2023
- \* Amendments to IAS 1: Classification of Liabilities as Current or Non-current - 1 January 2023
- \* Amendment to IFRS 3: Reference to the Conceptual Framework - 1 January 2022
- \* Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use - 1 January 2022
- \* Amendments to IAS 37: Onerous Contracts - Costs of fulfilling a Contract - 1 January 2022
- \* Annual improvements to IFRS Standards 2018-2022 (IFRS 1, IFRS 9, IFRS 16 and IAS 41) - 1 January 2022
- \* Amendments to IFRS 17 - 1 January 2023
- \* Extension of temporary exemption from applying IFRS 9 (Amendment to IFRS 4) - 1 January 2023
- \* Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16: Interest Rates Benchmark Reforms - Phase 2 - 1 January 2021
- \* Amendments to IAS 1 and IFRS Practice Statements 2 - Disclosures in Accounting Policies - 1 January 2023
- \* Amendments to IAS 8: Definition of Accounting Estimates - 1 January 2023

### 3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been consistently applied in dealing with items considered material to the company's financial statements:

#### 3.1 Debtors

Bad Debts are written off as they arise

#### 3.2 Accounts Payable and Accruals

Liabilities are recognized for amounts to be paid in future for goods or services received, whether or not billed to the company

#### 3.3 Foreign Currency Conversion

Balances in foreign currencies have been converted into UAE Dirhams at the rate of exchange prevailing at the balance sheet date. Transactions in foreign currencies are converted at rates ruling when the transaction was entered into. Gains or losses resulting from foreign transactions are taken to profit and loss account.

#### 3.4 Sales

Sales are stated net of trade discounts and sales return.

#### 3.5 Purchases

Purchases are stated net of discounts and return and include all direct expenses to determine the landed cost.

#### 3.6 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement consists of cash, balances with banks, overdrafts, and deposits with banks with a maturity of three months or less from the date of deposit.



**NOTES TO THE FINANCIAL STATEMENTS**

**3.7 Impairment of Assets**

Financial Assets

At each balance sheet date, the company assesses if there is any objective evidence indicating impairment of financial assets or non-collectibility of receivables

Non-financial Assets

At each balance sheet date, the company assesses if there is any indication of impairment of non-financial assets. If Any indication exists, the company estimates the recoverable amount of the assets and recognizes an impairment loss in Profit & Loss Account. The company assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in Profit & Loss Account.

- 3.8 Financial Instruments comprise cash, bank balances, deposits, advances, trade debtors, amounts due from/to related parties, trade creditors, accruals and borrowings. The financial instruments are recognized on the balance sheet when the company becomes a party to the contractual provisions of the instrument.

	<u>31-03-2021</u>	<u>31-03-2020</u>
<b>4. CASH AND BANK BALANCES</b>		
This item consists of the following :		
Cash on hand	1,520	420
Cash at a bank - Current account	150	200
Total	<u>1,670</u>	<u>620</u>
<b>5. ACCOUNTS RECEIVABLES &amp; PREPAYMENTS</b>		
a) This item consists of the following :		
Trade Debtors - Note 5(b)	5,513,257	5,525,675
Other Receivables - Note 5(c)	4,455,600	4,455,600
Total	<u>9,968,857</u>	<u>9,981,275</u>
b) <u>Trade Debtors</u>		
(i) <u>Ageing of Trade Debtors :</u>		
Due for more than 12 months	5,513,257	5,525,675
Total - Note 5(a)	<u>5,513,257</u>	<u>5,525,675</u>
(ii) Trade receivables as on 31st March 2021 are confirmed by the management, however no independent balance confirmation has been received from the debtors. The management believes trade receivables will not be realised in the near future and hence have been classified as Non-Current Assets.		





NOTES TO THE FINANCIAL STATEMENTS

	<u>31-03-2021</u>	<u>31-03-2020</u>
c) <u>Other receivables</u>		
This item consists of the following :		
Advances to suppliers (#)	3,505,600	3,505,600
Other receivables (#)	950,000	950,000
Total - Note 5 (a)	<u>4,455,600</u>	<u>4,455,600</u>

(#) Advance to suppliers and other receivables as on 31st March 2021 are confirmed by the management, however no independent balance confirmation has been received from the suppliers/parties. The management believes advances to suppliers and other receivables will not be realised in the near future and hence have been classified as Non-Current Assets.

	<u>For the year</u>	
	<u>2021</u>	<u>2020</u>
6. <u>ADMINISTRATION AND SELLING EXPENSES</u>		
This item consists of the following :		
Licence, Lease and other government fees	9,570	10,600
Legal & professional fees	1,200	1,365
Miscellaneous expenses	521	999
Total	<u>11,291</u>	<u>12,964</u>

	<u>31-03-2021</u>	<u>31-03-2020</u>
7. <u>CASH AND CASH EQUIVALENTS</u>		
Cash and cash equivalents included in the Statement of Cash Flows comprises of the following		
Cash and Bank Balances	1,670	620
Total	<u>1,670</u>	<u>620</u>

8. FINANCIAL INSTRUMENTSDerivative & exchange rate risks

The company does not use derivative financial instruments for speculative purposes.

The company does not have any policy of entering into foreign exchange contracts or options to manage its exposure to fluctuations in foreign currency exchange rates since substantial portion of the transactions are designated in USD and in AED to which USD is fixed. There were no significant foreign currency assets/liabilities as at 31 March 2021.



NOTES TO THE FINANCIAL STATEMENTSCredit risks

Financial assets which potentially subject the company to concentration of credit risk consists principally of cash and bank balances and trade debtors. Bank balances and deposits are with regulated financial institutions. Credit risk of trade debtors is stated in Note 5.

Interest rate risks

No interest is paid on Loan from the shareholders.

Fair value

At the balance sheet date, the carrying amount of cash and bank balances, debtors and creditors approximated their fair values.

**9. COMMITMENTS**

There were no significant commitments, of capital nature or otherwise as on the date of these financial statements.

**10. COMPARATIVE FIGURES**

These have been regrouped/reclassified wherever necessary to confirm to current year's classification.

For TAPTI PIPES & PRODUCTS LIMITED FZE

  
DIRECTOR

