

**HPCL MIDDLE EATS FZCO
DUBAI AIRPORT FREE ZONE
DUBAI
UNITED ARAB EMIRATES
FIT FOR CONSOLIDATION
FINANCIAL STATEMENTS
MARCH 31, 2020**



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AUDITORS' REPORT TO


R. Devendra Kumar & Associates

Chartered Accountants, 205, Blue Rose Industrial Estate,
Western Express Highway, Borivali East,
Mumbai 400 066

&

M. P. Chitale & Co., Chartered Accountants,
Hamam House, Mumbai 400 001, India

1. We have carried out the audit of HPCL Middle East FZCO, Dubai Airport Free Zone, Dubai, U.A.E for the year ended March 31, 2020 and issued our opinion thereon under Sections 227(1A) and 227(4A) of the Companies Act, 2013.
2. We have been requested by the management of HPCL Middle East FZCO, Dubai Airport Free Zone, Dubai, U.A.E to examine the attached Fit For Consolidation (FFC) Accounts of the Company. We are informed by the Company's management that the FFC accounts have been prepared solely to enable Hindustan Petroleum Corporation Limited, India to prepare its consolidated financial statements in accordance with the requirements of Indian Accounting Standard 110/27 and other related standards on "Consolidated Financial Statements" notified under the Companies (Accounting Standards) Rules, 2006.
3. The FFC accounts have been prepared by the Company's management. We have performed such procedures as considered necessary for examining the principles applied in preparing the FFC accounts.
4. These FFC accounts are not intended to present a true and fair view of the balance sheet of HPCL Middle East FZCO, Dubai Airport Free Zone, Dubai, U.A.E as at March 31, 2020 and of the result of the operations for the year then ended in accordance with the generally accepted accounting principles in India.
5. Based on the above we confirm that the adjustments carried out in the FFC accounts are appropriate and in accordance with the requirements of Indian Accounting Standards 110/27 and other related accounting standards and the FFC is suitable for inclusion in the consolidated financial statements of Hindustan Petroleum Corporation Limited, India.
6. This report is intended solely for the use of R. Devendra Kumar Associates Chartered Accountants and M. P. Chitale & Co, Chartered Accountants in connection with the audit of the consolidated financial statements of Hindustan Petroleum Corporation Limited, India and should not be used for any other purpose.
7. We have stamped the FFC for identification purpose.


A.R Ramachandran
Managing Partner
Auditor registration no: 433
Ethics Plus Public Accountants
Dubai, U.A.E
May 28, 2020



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STATEMENT OF FINANCIAL POSITION

As at March 31, 2020

	Notes	31.03.20 AED	31.03.20 INR	31.03.19 INR
ASSETS				
Non-current assets				
Property, plant and equipment	3	31,890	656,965	105,218
Current assets				
Inventories	4	-	-	6,141,893
Financial assets				
Cash and cash equivalents	5	2,213,555	45,601,447	39,123,379
Other current assets	6	<u>182,918</u>	<u>3,768,294</u>	<u>2,837,263</u>
TOTAL ASSETS		<u>2,428,363</u>	<u>50,026,705</u>	<u>48,207,754</u>
EQUITY AND LIABILITIES				
Equity				
Equity share capital	7	3,107,000	59,236,270	9,956,700
Other equity				
Retained earnings		(1,746,673)	(32,994,199)	(10,351,993)
Foreign currency translation reserve		-	1,782,011	(481,586)
Share application money pending allotment	8	-	-	30,606,816
Non-current liabilities				
Employee's end of service benefits		6,356	130,940	-
Current liabilities				
Financial liabilities				
Trade accounts payables	9	54,536	1,123,496	-
Other financial liabilities	10	<u>1,007,144</u>	<u>20,748,187</u>	<u>18,477,818</u>
TOTAL EQUITY AND LIABILITIES		<u>2,428,363</u>	<u>50,026,705</u>	<u>48,207,754</u>

These financial statements were approved on May 28, 2020 and signed by:

For and on behalf of the Board of Directors of HPCL Middle East FZCO, Dubai

Subhendu Mohanty

.....
Mr. Subhendu Mohanty
Director

The attached notes 1 to 20 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended March 31, 2020

		31.03.20	31.03.20	01.04.18 to 31.03.19
	Note no.	AED	INR	INR
Sales	12	758,123	14,636,626	2,282,160
Cost of sales	13	<u>(705,713)</u>	<u>(13,482,683)</u>	<u>(2,091,065)</u>
		52,410	1,153,942	191,095
Selling, general and administrative expenses	14	(453,489)	(8,755,240)	(5,159,335)
Depreciation and amortisation expense		(6,551)	(125,305)	(12,082)
Mangement remuneration	15	(852,629)	(16,461,197)	(4,976,752)
Foreign exchnage gain/(loss)		<u>80,056</u>	<u>1,545,593</u>	<u>-</u>
		<u>(1,232,613)</u>	<u>(23,796,148)</u>	<u>(10,148,169)</u>
Profit/ (loss) before exceptional items and tax		<u>(1,180,203)</u>	<u>(22,642,206)</u>	<u>(9,957,073)</u>
Profit/ (loss) before tax		<u>(1,180,203)</u>	<u>(22,642,206)</u>	<u>(9,957,073)</u>
Items that will be reclassified to profit or loss (foreign exchange gain)		<u>-</u>	<u>2,263,597</u>	<u>(476,548)</u>
Total comprehensive income for the year		<u>(1,180,203)</u>	<u>(20,378,609)</u>	<u>(10,433,621)</u>

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Director

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HPCL Middle East FZCO, Dubai Airport Free Zone, P.O.Box: 54618, Dubai, U.A.E

STATEMENT OF CASH FLOWS

Year ended March 31, 2020

	31.03.20	31.03.20	01.04.18 to 31.03.19
	AED	INR	INR
OPERATING ACTIVITIES			
Net income / (loss) for the period	(1,180,203)	(20,378,609)	(10,433,621)
<i>Adjustments for:</i>			
Depreciation	6,551	125,305	12,082
Employees end of service benefits	<u>6,356</u>	<u>130,940</u>	<u>-</u>
Cash from (used in) operations before working capital ch	(1,167,296)	(20,122,364)	(10,421,540)
Inventory	325,488	6,141,893	(6,141,893)
Other current assets	(32,558)	(931,031)	(2,837,263)
Trade accounts payables	54,536	1,123,496	-
Other financial liabilities	<u>27,917</u>	<u>2,270,370</u>	<u>18,077,860</u>
Net cash (used in) operating activities	<u>(791,913)</u>	<u>(11,517,635)</u>	<u>(1,322,837)</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipments	<u>(32,865)</u>	<u>(677,052)</u>	<u>(117,300)</u>
Net cash (used in) investing activities	<u>(32,865)</u>	<u>(677,052)</u>	<u>(117,300)</u>
FINANCING ACTIVITIES			
Shareholder's capital account	2,587,000	49,279,570	9,956,700
Share application money	<u>(1,622,000)</u>	<u>(30,606,816)</u>	<u>30,606,816</u>
Net cash (used in) financing activities	<u>965,000</u>	<u>18,672,754</u>	<u>40,563,516</u>
Increase / (decrease) in cash and cash equivalents	140,222	6,478,067	39,123,379
Cash and cash equivalents at the beginning of the year	<u>2,073,333</u>	<u>39,123,379</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF 1	<u>2,213,555</u>	<u>45,601,447</u>	<u>39,123,379</u>

These financial statements were approved on May 28, 2020 and signed by:

For and on behalf of the Board of Directors of HPCL Middle East FZCO, Dubai

Subhendu Mohanty

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Mr. Subhendu Mohanty

Director

The attached notes 1 to 20 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

As at March 31, 2020

Equity share capital

	Closing balance as at 31 March 2020 AED	Opening balance 1 April 2019 INR	Changes in equity share capital during the year INR	Closing balance as at 31 March 2020 INR
Equity shares	3,107,000	9,956,700	49,279,570	59,236,270
	<u>3,107,000</u>	<u>9,956,700</u>	<u>49,279,570</u>	<u>59,236,270</u>

Other Equity

		Opening balance 1 Apr 2019	Total comprehensiv e income for the year	Closing balance as at 31 Mar 2020
Equity component of other financial instrument				
Retained earnings	(1,746,673)	(10,351,993)	(22,642,206)	(32,994,199)
Reserves				
Exchange differences on translating the financial statements of a foreign operation	-	(481,586)	2,263,597	1,782,011
	<u>(1,746,673)</u>	<u>(10,833,579)</u>	<u>(20,378,609)</u>	<u>(31,212,188)</u>

These financial statements were approved on May 28, 2020 and signed by:
For and on behalf of the Board of Directors of HPCL Middle East FZCO, Dubai

Subhendu Mohanty

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Mr. Subhendu Mohanty
Director

The attached notes 1 to 20 form part of these financial statements.

Notes To Financial Statements

1 STATUS AND ACTIVITIES

HPCL Middle East FZCO, Dubai (the 'Company') is a Free Zone Company registered with the Dubai Airport Free Zone Authority, Government of Dubai under license no: 3599 issued on February 11, 2018.

The details of the sole-shareholder is as follows:

Name of the Shareholder	Nationality	% share	% profit
Hindustan Petroleum Corporation Limited	Indian	100	100

There was an increase of AED 2,587,000/- (INR 49,321,155/-) in the authorised and paid up share capital of the Company out of which AED 1,622,000/- (INR 30,923,430/-) was effected on June 13, 2019 and the balance amount of AED 965,000/- (INR 18,398,133/-) was effected on March 04, 2020.

The main activities of the Company are trading of petrochemicals, lubricants and grease and refined oil products.

2 SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

It should be noted that accounting estimates and assumptions are used in preparing the financial statements. Although the estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Accounting basis

The financial statements have been prepared under the accrual basis.

Revenue recognition

Revenue is measured at the fair value of consideration received or receivables.

The Company recognises revenue based on the five-step model:

- i) Identify the contract(s) with a customer: A contract is defined as an agreement between one or more parties that creates enforceable rights and obligations.
- ii) Identify the performance obligations in the contract: A performance obligation is a promise in a contract to transfer a goods or bundle of goods or services to the customer.
- iii) Determine the transaction price: Transaction price is the amount of consideration to which Company expects to be entitled in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- iv) Allocate the transaction price to the performance obligation in the contract.

2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Revenue recognition (contd.)

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

- The customer simultaneously received and consumed all of The benefits provided by The Company as the Company performs: or
 - The Company's performance creates or enhances an asset that the customer controls as the asset is created; or
 - The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance obligation completed to date.

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

The Company allocates the transaction price to the performance obligations in a contract based on the input method which require revenue recognition on the basis of the Company's effort or inputs to the satisfaction of the performance obligations.

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

Property, plant and equipments

Fixed assets are depreciated on cost using straight line method at rates calculated to depreciate the assets concerned over their estimated useful lives.

Accounts receivables

Accounts receivable balances are stated at original invoice amounts less a provision for any uncollectible amounts. An estimate of doubtful debts is made when collection of full amount is no longer probable. Bad debts are written off as incurred.

Contract assets: Where the Company satisfies a performance obligation by delivering the promised goods and services, it creates a contract assets based on the amount of consideration earned by the performance.

Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises of cash in hand, bank overdraft repayable on demand, bank current and call accounts, fixed deposits free from lien with original maturity date of three months or less from the date of deposit.

Value-added Tax (VAT)

Expenses, and assets are recognised net of amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the assets or as part of the expense item, as applicable; and/or

2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Value-added Tax (VAT) (contd.)

- When receivables and payables are stated with the amount of VAT included.

These net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Financial instruments

Initial recognition and measurement

The Company recognises a financial asset or a financial liability in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. On initial recognition, the Company recognises all financial assets and financial liabilities at fair value. The fair value of a financial asset or liability on initial recognition is normally represented by the transaction price.

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their initial recognition. The Company classifies its financial assets in the following four categories:

1 Financial assets at fair value through profit or loss. This category has two sub categories:

- a) Designated - Any financial asset that is designated on initial recognition as one to be measured at fair value with fair value changes in profit or loss.
- b) Held for trading - All derivatives (except those designated hedging instruments) and financial assets acquired or held for the purpose of selling in the short term or for which there is recent pattern of short term profit taking are held for trading.

2 Available for sale financial assets (AFS) are any non-derivative financial assets designated on initial recognition as available for sale or any other instruments that are not classified as loans and receivables, held to maturity investments or financial assets at fair value through profit or loss. AFS assets are measured at fair value in the statement of financial position. Fair value changes on AFS assets are recognised directly in equity, through the statement of changes in equity, except for interest on AFS assets, impairment losses and foreign exchange gains or losses. The cumulative gain or loss that was recognised in equity is recognised in profit or loss when an available for sale financial asset is derecognised.

3 Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than held for trading or designated on initial recognition as assets at fair value through profit or loss as available for sale. Loans and receivables are measured at amortised cost.

4 Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments that a Company intends and is able to hold till maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale. Held to maturity investments are measured at amortised cost.

2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the assets, even if that asset is or those assets are not explicitly specified in an arrangement.

Short-term leases

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

In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

Impairment and collectability of financial assets

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a financial asset or group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognized for difference between the recoverable amount and the carrying amount. Impairment losses are recognized in the statement of comprehensive income.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flow from the asset expires; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Company. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services, whether billed by the supplier or not.

Contract liability : The amount of consideration received from a customer exceeding the amount of revenue recognized, is recognized as a contract liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, its obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Employees' end of service benefits

The Company provides end of service benefits to its expatriate employee which is in accordance with DAFZA Regulations. The entitlements to these benefits is based upon the employees' final basic salary and length of service, subject to the completion of minimum service period depending on the type of employment contract. The expected costs of these benefits are accrued over the period of employment.

Foreign currencies

Transactions in foreign currencies, if any, are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position. All differences are taken to the statement of comprehensive income.

3 PROPERTY, PLANT AND EQUIPMENTS (NET)

Please refer annexure - 1 (Page - 15)

4 INVENTORIES

	31.03.20 AED	31.03.20 INR	31.03.19 INR
Goods-in-transit	-	-	6,141,893
	<u>-</u>	<u>-</u>	<u>6,141,893</u>

5 CASH AND CASH EQUIVALENTS

	31.03.20 AED	31.03.20 INR	31.03.19 INR
Cash at bank in current accounts	2,213,555	45,601,447	39,123,379
	<u>2,213,555</u>	<u>45,601,447</u>	<u>39,123,379</u>

6 OTHER CURRENT ASSETS

	31.03.20 AED	31.03.20 INR	31.03.19 INR
Receivable from DAFZA, Dubai	790	16,275	14,907
Prepaid rents	132,533	2,730,312	2,499,830
Prepaid insurance	22,262	458,619	249,990
Prepaid family visa charges	1,568	32,302	-
Prepaid HRA	17,250	355,367	-
VAT receivable	3,937	81,106	26,531
Other receivables	4,578	94,311	46,005
	<u>182,918</u>	<u>3,768,294</u>	<u>2,837,263</u>

7 SHARE CAPITAL

Authorized, issued and fully paid; 3,107 ordinary ordinary shares of AED 1,000/- each.

	31.03.20 AED	31.03.20 INR	31.03.19 INR
Hindustan Petroleum Corporation Limited, India	3,107,000	59,236,270	9,956,700
	<u>3,107,000</u>	<u>59,236,270</u>	<u>9,956,700</u>

7 SHARE CAPITAL (Contd.)

The Sole shareholder of the Company M/s Hindustan Petroleum Corporation Limited, India vide a resolution dated March 4, 2020 approved allotment of new shares (965 Numbers) with a paid up value of AED 965,000/- (INR 18,398,133/-).

The value of the new shares were included as a part of the paid up capital of the Company as on March 31, 2020. As per a representation received from the Dubai Airport Free Zone, Dubai, U.A.E the relevant procedures with regard to the addition has been completed before March 31, 2020 but due to the present pandemic situation there was a delay in issuing the amended share certificate and the amended memorandum of association for the Company which were subsequently issued on May 07, 2020 and May 11, 2020 respectively.

8 SHARE APPLICATION MONEY PENDING ALLOTMENT

	31.03.20 AED	31.03.20 INR	31.03.19 INR
Hindustan Petroleum Corporation Limited, India	-	-	30,606,816
	<u>-</u>	<u>-</u>	<u>30,606,816</u>

9 TRADE ACCOUNTS PAYABLES

	31.03.20 AED	31.03.20 INR	31.03.19 INR
Trade creditors	54,536	1,123,496	-
	<u>54,536</u>	<u>1,123,496</u>	<u>-</u>
The ageing of trade creditors is as follows:			
Less than 3 months	54,536	1,123,496	-
	<u>54,536</u>	<u>1,123,496</u>	<u>-</u>

10 OTHER FINANCIAL LIABILITIES

	31.03.20 AED	31.03.20 INR	31.03.19 INR
Accrued expenses	13,075	269,358	189,360
Advance from customers	5,000	103,005	3,952,793
Hindustan Petroleum Corporation Limited, India- Shareholder	946,728	19,503,557	14,234,276
Other payables	42,341	872,267	101,389
	<u>1,007,144</u>	<u>20,748,187</u>	<u>18,477,818</u>

11 RELATED PARTY TRANSACTIONS

Related parties include the shareholders, subsidiaries, directors and Entities controlled directly or indirectly by the shareholders or directors or over which they exercise significant management influence. Balances and transactions between the Company and its related parties are described below. The ultimate parent and controlling party is Hindustan Petroleum Corporation Limited which is incorporated in India. During the year, the Company entered into the following transactions with related parties:

	31.03.20	31.03.20	
	AED	INR	
Expenditure:			
Purchase	281,725	5,512,175	
Debit note raised by HPCL during the period:			
1. Manpower and other cost	<u>593,525</u>	<u>11,509,775</u>	
	<u>875,250</u>	<u>17,021,950</u>	
Payable to HPCL:			
1. Manpower and Other cost	805,096	16,585,790	
2. Lease payment	141,632	2,917,767	
3. On account of purchase	<u>-</u>	<u>-</u>	
	<u>946,729</u>	<u>19,503,557</u>	
Investment in Equity:			
Share Capital including Share application money pending allotment	<u>3,107,000</u>	<u>59,236,270</u>	
	<u>3,107,000</u>	<u>59,236,270</u>	
12 REVENUE			
	31.03.20	31.03.20	31.03.19
	AED	INR	INR
Sales	<u>758,123</u>	<u>14,636,626</u>	<u>2,282,160</u>
	<u>758,123</u>	<u>14,636,626</u>	<u>2,282,160</u>
Disaggregation of revenue			
Export	159,491	3,079,199	-
Other than export	<u>598,632</u>	<u>11,557,427</u>	<u>2,282,160</u>
	<u>758,123</u>	<u>14,636,626</u>	<u>2,282,160</u>
13 COST OF SALES			
	31.03.20	31.03.20	31.03.19
	AED	INR	INR
Purchases	332,214	6,413,852	1,855,834
Changes in inventories of stock-in-trade	325,488	6,141,893	-
Other direct expenses	<u>48,012</u>	<u>926,939</u>	<u>235,231</u>
	<u>705,713</u>	<u>13,482,683</u>	<u>2,091,065</u>

14 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	31.03.20	31.03.20	31.03.19
	AED	INR	INR
Employee benefit expenses	92,596	1,787,695	763,191
Annual lease rent cost	152,965	2,953,203	2,808,839
Postage, telephone and internet	26,516	511,929	275,138
Insurance charges	7,626	147,231	19,624
Travelling expenses	65,918	1,272,639	116,334
Professional fee	41,350	798,320	336,371
Government fees	49,290	951,612	566,934
Bank charges	5,241	101,185	17,391
Other expenses	11,987	231,426	255,514
	<u>453,489</u>	<u>8,755,240</u>	<u>5,159,335</u>

15 MANAGEMENT REMUNERATION

	31.03.20	31.03.20	31.03.19
	AED	INR	INR
Mr. Subhendu Mohanty	852,629	16,461,197	4,976,752
	<u>852,629</u>	<u>16,461,197</u>	<u>4,976,752</u>

16 CONTINGENT LIABILITY

In compliance of Ind AS 37 on “Provisions, Contingent Liabilities and Contingent Assets”, the required information is as under:

Particulars	Amount in INR				
	Opening Balance 01.04.19	Additions	Utilization	Reversals	Closing Balance 31.03.20
Excise					
Sales Tax	Nil	Nil	Nil	Nil	Nil
Service Tax	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil
Total	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
Less: Pre Deposit	-	-	-	-	-
Net	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

17 RISK MANAGEMENT

Liquidity risk

The Company limits its liquidity risk by ensuring that adequate funds are available.

17 RISK MANAGEMENT (contd.)

Liquidity risk (contd.)

Maturities of financial liabilities:

The amounts disclosed in the table are the contractual undiscounted cash flows.

			Amount in INR
31.03.2020	Upto 1 year	1-3 year	More than 3 years
Non- derivative financial liabilities			
Trade payables	1,123,496	-	-
Other financial liabilities	<u>1,244,630</u>	<u>-</u>	<u>-</u>
	<u>2,368,126</u>	<u>-</u>	<u>-</u>

Interest rate risk

The financial instruments and assets and liabilities of the Company as at the statement of financial position date are not interest based.

Exchange rate risk

Exchange rate risk, if any, in respect of foreign currency exposure is closely monitored by the management.

18 SIGNIFICANT EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There were no significant events occurring after the date of statement of financial position which require disclosure in the financial statements.

19 In the opinion of the management all the assets shown in the financial statements are existing and realizable at the amounts shown against them and there are no liabilities against the Company, contingent or otherwise, not included in the above financial statements.

20 GENERAL

- a) These audited financial statements are issued by the Management of the Company, covering the period from April 01, 2019 to March 31, 2020 , whereas the comparative figures are for a period from April 01, 2018 to March 31, 2019.
- b) The figures in the financial statements are rounded to the nearest Dirham of United Arab Emirates and Rupees of India.

ANNEXURE - 1

3 PROPERTY, PLANT AND EQUIPMENTS (NET)

Fixed assets are stated at cost, less accumulated depreciation as follows:

	Office equipments AED	Furniture & fixtures AED	Total AED	Total INR
Cost				
As at April 01, 2019	6,236	-	6,236	117,300
Additions	-	32,865	32,865	677,052
Deletions/ adjustments	(248)	-	(248)	(5,109)
As at March 31, 2020	<u>5,988</u>	<u>32,865</u>	<u>38,853</u>	<u>789,243</u>
Depreciation				
As at April 01, 2019	660	-	660	12,082
Charge for the year	1,345	5,206	6,551	125,305
Deletions/ adjustments	(248)	-	(248)	(5,109)
As at March 31, 2020	<u>1,757</u>	<u>5,206</u>	<u>6,963</u>	<u>132,278</u>
Net Book Value				
As at March 31, 2020	<u><u>4,231</u></u>	<u><u>27,659</u></u>	<u><u>31,890</u></u>	<u><u>656,965</u></u>
As at March 31, 2019	<u><u>5,576</u></u>	<u><u>-</u></u>	<u><u>5,576</u></u>	<u><u>105,218</u></u>