

مؤسسة النداء لتدقيق الحسابات
AL NEDAA AUDITING ACCOUNTANTS
محاسبون قانونيون ومدققو حسابات

BAJAJ CORP INTERNATIONAL (FZE)
SAIF ZONE, SHARJAH

FINANCIAL STATEMENT AND AUDITORS' REPORT
FOR THE YEAR ENDED MARCH 31, 2020

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AUDITORS' REPORT TO THE PROPRIETOR OF
BAJAJ CORP INTERNATIONAL (FZE)

We have audited accompanying financial statement of **Messrs. BAJAJ CORP INTERNATIONAL (FZE)** which comprise the Balance Sheet as at March 31, 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financing Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit also includes examining, on test basis, evidence supporting the amount and disclosures in the financial statement.

Audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the attached financial statement present fairly, in all material aspects, the financial position of the **Messrs. BAJAJ CORP INTERNATIONAL (FZE)** as at March 31, 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Accounting Standards.

SAMIR AHMED ZAKI
Regn No: 440



MAY 31, 2020

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BALANCE SHEET AS AT MARCH 31, 2020

	NOTES	March 31 2020 AED	March 31 2019 AED
ASSETS			
NON-CURRENT ASSETS			
CURRENT ASSETS			
(a) Inventories	7	526,269	954,692
(b) Financial assets			
(i) Trade receivables	8	689,773	598,539
(ii) Cash and cash equivalents	9	408,643	134,473
(iii) Bank balance other than (ii) above			
(c) Other current assets	10	183,616	363,542
Total current assets		<u>1,808,301</u>	<u>2,051,246</u>
TOTAL ASSETS		<u>1,808,301</u>	<u>2,051,246</u>
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital		5,550,000	150,000
(b) Share application money		-	3,900,000
(c) Other equity		(7,267,906)	(5,017,480)
		<u>(1,717,906)</u>	<u>(967,480)</u>
LIABILITIES			
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Trade payable	11	2,271,158	2,842,830
(b) Current liabilities	12	255,970	-
(c) Provisions	13	999,079	175,896
		<u>3,526,207</u>	<u>3,018,726</u>
TOTAL EQUITY AND LIABILITIES		<u>1,808,301</u>	<u>2,051,246</u>

The accompanying notes 1-21 form an integral part of this financial statement.

For Bajaj Corp International Fze



MANAGER

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BAJAJ CORP INTERNATIONAL FZE
SAIF ZONE, SHARJAH

PROFIT & LOSS ACCOUNT FOR THE YEAR
ENDED MARCH 31, 2020

		March 31 2020 AED	March 31 2019 AED
I. REVENUE FROM OPERATIONS	14	6,908,478	6,541,006
II. OTHER INCOME		-	-
III. TOTAL REVENUE (I+II)		<u>6,908,478</u>	<u>6,541,006</u>
IV. EXPENSES			
1. Cost of sales	15	3,273,258	3,376,810
2. Employee benefit expenses	16	1,704,204	1,503,741
3. Finance cost	17	7,005	36,682
4. Selling and distribution Overhead	18	3,826,595	3,502,002
5. General & Administrative Overhead	19	347,842	643,125
		<u>9,158,904</u>	<u>9,062,360</u>
V. PROFIT BEFORE TAX (III-IV)		<u>(2,250,426)</u>	<u>(2,521,354)</u>

The accompanying notes 1-21 form an integral part of this financial statement.

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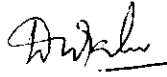
BAJAJ CORP INTERNATIONAL FZE
SAIF ZONE, SHARJAH

STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2020
(IN UAE DIRHAMS)

	March 31 2020 AED	March 31 2019 AED
<u>OPERATING ACTIVITIES</u>		
Net (Loss)/Profit	(2,250,426)	(2,521,354)
Operating profit before working capital change	(2,250,426)	(2,521,354)
(Increase)/decrease in Trade and other receivables	(91,234)	844,310
(Increase)/decrease in inventories	428,423	1,441,444
(Increase)/decrease in Other Current Assets	179,926	(195,153)
Increase/(decrease) in Trade and Other Payables	507,481	(3,591,201)
Cash from/(used in) operating activities	(1,225,830)	(4,021,954)
<u>FINANCING ACTIVITIES</u>		
Share application money introduced	1,500,000	3,900,000
Net cash introduced from/(used in) financing activities	1,500,000	3,900,000
Net increase in cash and cash equivalents	274,170	(121,954)
Cash and cash equivalent at start of the year (Note 7)	134,473	256,427
Cash and cash equivalent at end of the year (Note 7)	408,643	134,473

The accompanying notes 1-21 form an integral part of this financial statement.

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STATEMENT OF CHANGE IN EQUITY
YEAR ENDED MARCH 31, 2020

	As at 31.03.2019 <u>AED</u>	Increase <u>AED</u>	Decrease <u>AED</u>	As at 31.03.2020 <u>AED</u>
As at 31.03.2019	150,000	5,400,000		5,550,000
Changes during the year				
Share application money	3,900,000	1,500,000	(5,400,000)	-
Retained earnings	(5,017,480)	(2,250,426)		(7,267,906)
As at 31.03.2020	<u>(967,480)</u>	<u>4,649,574</u>	<u>(5,400,000)</u>	<u>(1,717,906)</u>

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BAJAJ CORP INTERNATIONAL (FZE)
SAIF ZONE, SHARJAH

NOTES TO FINANCIAL STATEMENT
YEAR ENDED MARCH 31, 2020
(FIGURES EXPRESSED IN UAE DIRHAMS)

1. STATUS AND ACTIVITY

1.1 BAJAJ CORP INTERNATIONAL (FZE) has been incorporated as a Free Zone Establishment as per the trade licence No: 1306 issued on December 23, 2013 by Sharjah Airport International Free Zone, Government of Sharjah.

1.2 The principal activity of the company is General Trading.

2. SHARE CAPITAL

The share capital of the company is UAE Dirham 5,550,000. The details of the shareholdings are as follows:

Name of Shareholder	Nationality	No. of shares	Value of shares	%
Bajaj Consumer Care Limited	India	37	5,550,000	100

3. ACCOUNTING PERIOD

This financial statement relate to the period from 1st April, 2019 to 31st March 2020.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

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

The financial statements are presented in United Arab Emirates Dirham (AED) since that is the currency of the country in which the establishment is domiciled.

b. Statement of compliance

The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB)

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BAJAJ CORP INTERNATIONAL (FZE)
NOTES TO FINANCIAL STATEMENT – MARCH 31, 2020- CONTINUED

c. Basis of Accounting

These financial statements are prepared under the accrual basis of accounting. transactions and events are recognized when they occur and not as cash or its equivalent is received.

d. Provision

A provision is recognized in the statement of financial position when the Establishment has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

e. Revenue Recognition

Revenue recognition to the extent that it is probable that the economic benefit will flow to the establishment and the revenue can be reliably measured

f. Foreign currency transactions

All foreign currency transactions are recorded in Dirham at the prevailing rates of exchange at the time of transaction and all assets and liabilities stated in foreign currency are translated into local currency at the year end rate of exchange. All exchange differences are reflected in the current period profit and loss account.

g. Trade debtors

Trade debtors are carried at original invoice amount. Bad debts are written off as and when identified and as per management no provision is required for doubtful debts.

5. GOING CONCERN

These financial statements are prepared on a going concern basis which is assumed that the Establishment will continue to operate as a going concern in a foreseeable future.

6. PREVIOUS YEAR FIGURES

Previous year figures have been regrouped wherever necessary to confirm presentation adopted current year.

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BAJAJ CORP INTERNATIONAL FZE
NOTES TO FINANCIAL STATEMENT - 31 MARCH 2020 - CONTINUED

	March 31 2,020 AED	March 31 2,019 AED
7 INVENTORY		
Stock in trade	526,269	954,692
	<u>526,269</u>	<u>954,692</u>
8 TRADE RECEIVABLES		
Trade debtors	689,773	598,539
	<u>689,773</u>	<u>598,539</u>
9 CASH & CASH EQUIVALENTS		
Cash in hand	314	7,230
Cash at bank in current accounts	408,329	127,243
	<u>408,643</u>	<u>134,473</u>
10 OTHER CURRENT ASSETS		
Refundable deposit	76,325	94,755
Salary advance	-	120,000
VAT Cedit	11,084	134
Advance against expenses	6,295	10,266
Prepaide expenses	80,871	111,588
Advance to staff	9,041	26,799
	<u>183,616</u>	<u>363,542</u>
11 TRADE PAYABLE		
Sundry creditors	2,271,158	2,842,830
	<u>2,271,158</u>	<u>2,842,830</u>
12 OTHER CURRENT LIABILITIES		
Advance from customers	128,316	-
Payable to staff	127,654	-
	<u>255,970</u>	<u>-</u>
13 PROVISION		
Provision for expenses	999,079	175,896
	<u>999,079</u>	<u>175,896</u>

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BAJAJ CORP INTERNATIONAL FZE
NOTES TO FINANCIAL STATEMENT - 31 MARCH 2020 - CONTINUED

	March 31	March 31
	2,020	2,019
	AED	AED
14 REVENUE FROM OPERATIONS		
Sales revenue	6,908,478	6,541,006
	<u>6,908,478</u>	<u>6,541,006</u>
15 COST OF SALES		
Opening stock	954,692	2,396,136
Purchase	2,844,835	1,935,366
Closing stock	(526,269)	(954,692)
	<u>3,273,258</u>	<u>3,376,810</u>
16 EMPLOYEE BENEFIT EXPENSE		
Salaries & wages	1,648,550	1,488,199
Medical expenses	43,244	8,653
Staff training & welfare expenses	12,410	6,889
	<u>1,704,204</u>	<u>1,503,741</u>
17 FINANCE COST		
Interest and bank charges	7,005	36,682
	<u>7,005</u>	<u>36,682</u>
18 SELLING & DISTRIBUTION OVERHEAD		
Scheme & sales promotion	3,276,452	2,750,222
Freight, Forwarding & Distribution expenses	353,907	349,590
Warehouse rent	19,349	-
Travelling & Conveyance	146,395	176,854
Marketing expenses	30,492	225,336
	<u>3,826,595</u>	<u>3,502,002</u>
19 GENERAL, ADMINISTRATIVE & OTHER OVERHEADS		
Administrative expenses	68,157	58,953
Rent expenses	90,000	86,250
Licence & other charges	94,216	8,703
Audit fees	5,000	5,750
Registration expenses	330	1,852
Exchange gain/loss	9,956	58,279
Legal & professional expenses	75,530	87,355
Loss on investment	-	326,767
Miscellaneous expenses	4,653	9,216
	<u>347,842</u>	<u>643,125</u>

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BAJAJ CORP INTERNATIONAL FZE
NOTES TO FINANCIAL STATEMENT - 31 MARCH 2020 - CONTINUED

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk Management structure

The establishment oversees and manages its exposure to the market risk, credit risk, and liquidity risk. The establishment policies on these risks arising from the establishment's financial instrument are as follows:

Market risk

Market risk that changes in market price, such as foreign exchange rates, interest rates and equity prices, will affect the company's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return

Foreign currency risk

It is the risk that the value of financial instrument will fluctuate due to changes in the foreign exchange rates. There are no significant exchange rate risks as substantially all financial assets and liabilities are denominated in AED.

Interest rate risk

It is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The establishment is not exposed to any interest rate risk as it has no significant interest bearing financial instruments.

19 CONTINGENT AND COMMITMENTS

Except ongoing service commitments in the normal course of business against which no loss is expected, there has been no other known contingent liability or commitment on Establishment's account.

20 EVENTS AFTER THE FINANCIAL POSITION DATE

There were no significant events occurring after the financial position date that would have any material effect on the financial statements of the establishment.

21 GENERAL

Figures are rounded to nearest Dirham of United Arab Emirates.

The accompanying notes 1-21 form an integral part of this financial statement.

For **BAJAJ CORP INTERNATIONAL FZE**



MANAGER