

**BAJAJ CORP INTERNATIONAL (FZE)
SAIF ZONE, SHARJAH**

**FINANCIAL STATEMENT AND AUDITORS' REPORT
FOR THE YEAR ENDED MARCH 31, 2021**

BAJAJ CORP INTERNATIONAL (FZE)
SAIF ZONE, SHARJAH

INDEX

Auditors' report	Page	1
Balance Sheet as on March 31, 2021	Page	2
Profit and loss account for the year ended March 31, 2021	Page	3
Statement of Cash flow	Page	4
Statement of change in equity	Page	5
Notes to financial statement	Page	6-10

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, 2021 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, 2021 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

April 14, 2021

**BAJAJ CORP INTERNATIONAL FZE
SAIF ZONE, SHARJAH**

BALANCE SHEET AS AT MARCH 31, 2021

	NOTES	March 31 2021 AED	March 31 2020 AED
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
<u>CURRENT ASSETS</u>			
(a) Inventories	6	394,516	526,269
(b) Financial assets			
(i) Trade receivables	7	-	689,773
(ii) Cash and cash equivalents	8	295,554	408,643
(c) Other current assets	9	201,030	183,616
Total current assets		<u>891,100</u>	<u>1,808,301</u>
TOTAL ASSETS		<u>891,100</u>	<u>1,808,301</u>
<u>EQUITY AND LIABILITIES</u>			
<u>EQUITY</u>			
(a) Equity share capital		5,550,000	5,550,000
(b) Other equity		(7,328,645)	(7,267,906)
		<u>(1,778,645)</u>	<u>(1,717,906)</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
(a) Financial liabilities			
(i) Trade payable	10	1,902,091	2,271,158
(b) Other current liabilities	11	183,182	255,970
(c) Provisions	12	584,472	999,079
		<u>2,669,745</u>	<u>3,526,207</u>
TOTAL EQUITY AND LIABILITIES		<u>891,100</u>	<u>1,808,301</u>

The accompanying notes 1-22 form an integral part of this financial statement.

For Bajaj Corp International Fze

MANAGER

**BAJAJ CORP INTERNATIONAL FZE
SAIF ZONE, SHARJAH**

**PROFIT & LOSS ACCOUNT FOR THE YEAR
ENDED MARCH 31, 2021**

	NOTES	March 31 2021 AED	March 31 2020 AED
I. REVENUE FROM OPERATIONS	13	6,344,167	6,908,478
II. OTHER INCOME			-
III. TOTAL REVENUE (I+II)		<u>6,344,167</u>	<u>6,908,478</u>
IV. EXPENSES			
1. Cost of sales	14	2,941,778	3,273,258
2. Employee benefit expenses	15	1,362,125	1,704,204
3. Finance cost	16	26,707	7,005
4. Selling and distribution Overhead	17	1,956,583	3,826,595
5. General & Administrative Overhead	18	117,713	347,842
		<u>6,404,906</u>	<u>9,158,904</u>
V. PROFIT BEFORE TAX (III-IV)		<u>(60,739)</u>	<u>(2,250,426)</u>

The accompanying notes 1-22 form an integral part of this financial statement.

For **Bajaj Corp International Fze**

MANAGER

**BAJAJ CORP INTERNATIONAL FZE
SAIF ZONE, SHARJAH**

**STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2021
(IN UAE DIRHAMS)**

	March 31 2021 AED	March 31 2020 AED
<u>OPERATING ACTIVITIES</u>		
Net (Loss)/Profit	(60,739)	(2,250,426)
Operating profit before working capital change	(60,739)	(2,250,426)
(Increase)/decrease in Trade and other receivables	689,773	(91,234)
(Increase)/decrease in inventories	131,753	428,423
(Increase)/decrease in Other Current Assets	(17,414)	179,926
Increase/(decrease) in Trade and Other Payables	<u>(856,462)</u>	<u>507,481</u>
Cash from/(used in) operating activities	<u>(113,089)</u>	<u>(1,225,830)</u>
<u>FINANCING ACTIVITIES</u>		
Share application money introduced		1,500,000
Net cash introduced from/(used in) financing activities	-	<u>1,500,000</u>
Net increase in cash and cash equivalents	(113,089)	274,170
Cash and cash equivalent at start of the year (Note 8)	408,643	134,473
Cash and cash equivalent at end of the year (Note 8)	<u>295,554</u>	<u>408,643</u>

The accompanying notes 1-22 form an integral part of this financial statement.

For **Bajaj Corp International Fze**

MANAGER

**BAJAJ CORP INTERNATIONAL FZE
SAIF ZONE, SHARJAH
STATEMENT OF CHANGE IN EQUITY
YEAR ENDED MARCH 31, 2021**

	As at 31.03.2020 <u>AED</u>	Increase <u>AED</u>	Decrease <u>AED</u>	As at 31.03.2021 <u>AED</u>
As at 31.03.2020	5,550,000			5,550,000
Changes during the year				
Retained earnings	(7,267,906)	(60,739)		(7,328,645)
As at 31.03.2021	<u><u>(1,717,906)</u></u>	<u><u>(60,739)</u></u>	<u><u>-</u></u>	<u><u>(1,778,645)</u></u>

**BAJAJ CORP INTERNATIONAL (FZE)
SAIF ZONE, SHARJAH**

**NOTES TO FINANCIAL STATEMENT
YEAR ENDED MARCH 31, 2021
(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, 2020 to 31st March 2021.

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)

BAJAJ CORP INTERNATIONAL (FZE)
NOTES TO FINANCIAL STATEMENT – MARCH 31, 2021- 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.

BAJAJ CORP INTERNATIONAL FZE
NOTES TO FINANCIAL STATEMENT - 31 MARCH 2021 - CONTINUED

	March 31 2,021 AED	March 31 2,020 AED
	<u> </u>	<u> </u>
6 INVENTORY		
Stock in trade	394,516	526,269
	<u>394,516</u>	<u>526,269</u>
7 TRADE RECEIVABLES		
Trade debtors	-	689,773
	<u>-</u>	<u>689,773</u>
8 CASH & CASH EQUIVALENTS		
Cash in hand	8,266	314
Cash at bank in current accounts	287,288	408,329
	<u>295,554</u>	<u>408,643</u>
9 OTHER CURRENT ASSETS		
Refundable deposit	63,150	76,325
VAT Credit	19,278	11,084
Advance against expenses	-	6,295
Prepaide expenses	89,706	80,871
Advance to staff	28,896	9,041
	<u>201,030</u>	<u>183,616</u>
10 TRADE PAYABLE		
Sundry creditors	1,902,091	2,271,158
	<u>1,902,091</u>	<u>2,271,158</u>
11 OTHER CURRENT LIABILITIES		
Advance from customers	183,182	128,316
Payable to staff	-	127,654
	<u>183,182</u>	<u>255,970</u>
12 PROVISION		
Provision for expenses	584,472	999,079
	<u>584,472</u>	<u>999,079</u>

BAJAJ CORP INTERNATIONAL FZE
NOTES TO FINANCIAL STATEMENT - 31 MARCH 2021 - CONTINUED

	March 31 2,021 <u>AED</u>	March 31 2,020 <u>AED</u>
13 REVENUE FROM OPERATIONS		
Sales revenue	6,334,167	6,908,478
	<u>6,334,167</u>	<u>6,908,478</u>
14 COST OF SALES		
Opening stock	526,269	954,692
Purchase	2,810,025	2,844,835
Closing stock	(394,516)	(526,269)
	<u>2,941,778</u>	<u>3,273,258</u>
15 EMPLOYEE BENEFIT EXPENSE		
Salaries & wages	1,317,960	1,648,550
Medical expenses	30,427	43,244
Staff training & welfare expenses	13,738	12,410
	<u>1,362,125</u>	<u>1,704,204</u>
16 FINANCE COST		
Interest and bank charges	26,707	7,005
	<u>26,707</u>	<u>7,005</u>
17 SELLING & DISTRIBUTION OVERHEAD		
Scheme & sales promotion	1,449,822	3,276,452
Freight, Forwarding & Distribution expenses	302,158	353,907
Warehouse rent	64,541	19,349
Travelling & Conveyance	95,062	146,395
Marketing expenses	45,000	30,492
	<u>1,956,583</u>	<u>3,826,595</u>
18 GENERAL, ADMINISTRATIVE & OTHER OVERHEADS		
Administrative expenses	47,843	68,157
Rent expenses	3,750	90,000
Licence & other charges	7,485	94,216
Audit fees	3,000	5,000
Registration expenses	-	330
Exchange gain/loss	26,056	9,956
Legal & professional expenses	28,013	75,530
Miscellaneous expenses	1,566	4,653
	<u>117,713</u>	<u>347,842</u>

BAJAJ CORP INTERNATIONAL FZE
NOTES TO FINANCIAL STATEMENT - 31 MARCH 2021- CONTINUED

19 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.

20 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.

21 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.

22 GENERAL

Figures are rounded to nearest Dirham of United Arab Emirates.

The accompanying notes 1-22 form an integral part of this financial statement.

For **BAJAJ CORP INTERNATIONAL FZE**

MANAGER