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**HPCL MIDDLE EATS FZCO  
DUBAI AIRPORT FREE ZONE  
DUBAI  
UNITED ARAB EMIRATES  
FIT FOR CONSOLIDATION  
FINANCIAL STATEMENTS  
MARCH 31, 2021**





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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,  
Ambalal Doshi Marg, Fort,  
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, 2021 in accordance with IFRS standard and issue our opinion thereon under section 143 of Companies Act, 2013. Report issued by us is fit for consolidation of financial statement.
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 statement of financial position of HPCL Middle East FZCO, Dubai Airport Free Zone, Dubai, U.A.E as at March 31, 2021 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 16, 2021



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STATEMENT OF FINANCIAL POSITION

As at March 31, 2021

	Notes	31.03.21 AED	31.03.21 INR	31.03.20 INR
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	54,945	1,093,617	656,965
<b>Financial assets</b>				
Long-term loans and advances	4	1,000	19,904	20,601
Other non-current assets	5	232	4,618	-
<b>Current assets</b>				
<b>Financial assets</b>				
Trade accounts receivables	6	1,323,776	26,348,438	-
Cash and cash equivalents	7	3,602,185	71,697,890	45,601,447
Other current assets	8	<u>174,711</u>	<u>3,477,447</u>	<u>3,747,692</u>
<b>TOTAL ASSETS</b>		<b><u>5,156,849</u></b>	<b><u>102,641,914</u></b>	<b><u>50,026,705</u></b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	9	3,107,000	59,236,270	59,236,270
<b>Other equity</b>				
Retained earnings		(2,066,491)	(38,728,360)	(32,994,199)
Foreign currency translation reserve		-	439,640	1,782,011
Share application money pending allotment	10	1,223,000	24,105,330	-
<b>Non-current liabilities</b>				
Long term provisions		11,548	229,851	130,940
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Trade accounts payables	11	1,652,798	32,897,291	1,123,496
Other financial liabilities	12	<u>1,228,994</u>	<u>24,461,891</u>	<u>20,748,187</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>5,156,849</u></b>	<b><u>102,641,914</u></b>	<b><u>50,026,705</u></b>

These financial statements were approved on May 16, 2021 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 24 form part of these financial statements.





STATEMENT OF COMPREHENSIVE INCOME

Year ended March 31, 2021

	Note no.	31.03.21 AED	31.03.21 INR	31.03.20 INR
Sales	13	4,542,413	91,866,669	14,636,626
Other income	14	<u>5,556</u>	<u>112,366</u>	<u>-</u>
		4,547,969	91,979,035	14,636,626
Cost of sales	15	(3,842,976)	(77,721,115)	(13,482,683)
Selling, general and administrative expenses	16	(391,509)	(7,917,956)	(8,755,240)
Depreciation and amortisation expense	3	(4,974)	(121,238)	(125,305)
Mangement remuneration	17	(590,467)	(11,941,723)	(16,461,197)
Foreign exchange gain/(loss)		<u>(37,861)</u>	<u>(11,164)</u>	<u>1,545,593</u>
		<u>(4,867,787)</u>	<u>(97,713,196)</u>	<u>(37,278,832)</u>
Profit/ (loss) before exceptional items and tax		<u>(319,818)</u>	<u>(5,734,161)</u>	<u>(22,642,206)</u>
<b>Profit/ (loss) before tax</b>		<b>(319,818)</b>	<b>(5,734,161)</b>	<b>(22,642,206)</b>
Items that will be reclassified to profit or loss (foreign exchange gain)		<u>-</u>	<u>(1,342,371)</u>	<u>2,263,597</u>
<b>Total comprehensive income for the year</b>		<b><u>(319,818)</u></b>	<b><u>(7,076,532)</u></b>	<b><u>(20,378,609)</u></b>

These financial statements were approved on May 16, 2021 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 24 form part of these financial statements.



STATEMENT OF CASH FLOWS

Year ended March 31, 2021

	31.03.21 AED	31.03.21 INR	31.03.20 INR
<b>OPERATING ACTIVITIES</b>			
Net income / (loss) for the year	(319,818)	(7,076,532)	(20,378,609)
<i>Adjustments for:</i>			
Depreciation	4,974	121,238	125,305
Employees end of service benefits	5,192	98,911	130,940
<b>Cash from (used in) operations before working capital ch</b>	<b>(309,652)</b>	<b>(6,856,383)</b>	<b>(20,122,364)</b>
Inventory	-	-	6,141,894
Trade accounts receivables	(1,323,776)	(26,348,438)	-
Other current assets	7,207	270,245	(910,430)
Trade accounts payables	1,598,262	31,773,795	1,123,496
Other financial liabilities	221,850	3,713,705	2,270,370
<b>Net cash (used in) operating activities</b>	<b><u>193,891</u></b>	<b><u>2,552,924</u></b>	<b><u>(11,497,035)</u></b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipments	(28,029)	(557,889)	(677,052)
Long-term loans and advances	-	697	(20,601)
Other non-current assets	(232)	(4,618)	-
<b>Net cash (used in ) investing activities</b>	<b><u>(28,261)</u></b>	<b><u>(561,810)</u></b>	<b><u>(697,653)</u></b>
<b>FINANCING ACTIVITIES</b>			
Shareholder's capital account	-	-	49,279,570
Share application money	1,223,000	24,105,330	(30,606,816)
<b>Net cash (used in) financing activities</b>	<b><u>1,223,000</u></b>	<b><u>24,105,330</u></b>	<b><u>18,672,754</u></b>
Increase / (decrease) in cash and cash equivalents	1,388,630	26,096,443	6,478,067
Cash and cash equivalents at the beginning of the year	2,213,555	45,601,447	39,123,379
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b><u>3,602,185</u></b>	<b><u>71,697,890</u></b>	<b><u>45,601,447</u></b>

These financial statements were approved on May 16, 2021 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 24 form part of these financial statements.





STATEMENT OF CHANGES IN EQUITY

As at March 31, 2021

**Equity share capital**

	Closing balance as at 31 March 2021 AED	Opening balance 1 April 2020 INR	Changes in equity share capital during the year INR	Closing balance as at 31 March 2021 INR
Equity shares	3,107,000	59,236,270	-	59,236,270
	<u>3,107,000</u>	<u>59,236,270</u>	<u>-</u>	<u>59,236,270</u>

**Other equity**

		Opening balance 1 April 2020	Total comprehensiv e income for the year	Closing balance as at 31 Mar 2021
<b>Equity component of other financial instrument</b>				
Retained earnings	(2,066,491)	(32,994,199)	(5,734,161)	(38,728,360)
<b>Reserves</b>				
Exchange differences on translating the financial statements of a foreign operation	-	1,782,011	(1,342,371)	439,640
	<u>(2,066,491)</u>	<u>(31,212,188)</u>	<u>(7,076,532)</u>	<u>(38,288,720)</u>

These financial statements were approved on May 16, 2021 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 24 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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

### Revenue recognition (contd.)

- 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. The annual rates of depreciation used are as follows:

Plant and Machinery	: 10%
Office equipments	: 20%
Furniture & fixtures	: 10%

### 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.

### 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
- 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.



## 2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

### **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.

### **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 derecognized.
- 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 amortized 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 amortized 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 - 16)

## 4 LONG-TERM LOANS AND ADVANCES

	31.03.21 AED	31.03.21 INR	31.03.20 INR
Deposit	1,000	19,904	20,601
	<u>1,000</u>	<u>19,904</u>	<u>20,601</u>

## 5 OTHER NON-CURRENT ASSETS

	31.03.21 AED	31.03.21 INR	31.03.20 INR
Prepaid family visa charges	232	4,618	-
	<u>232</u>	<u>4,618</u>	<u>-</u>

## 6 TRADE ACCOUNTS RECEIVABLES

	31.03.21 AED	31.03.21 INR	31.03.20 INR
Trade debtors	1,323,776	26,348,438	-
	<u>1,323,776</u>	<u>26,348,438</u>	<u>-</u>
The ageing of trade creditors is as follows:			
Less than 3 months	1,323,776	26,348,438	-
	<u>1,323,776</u>	<u>26,348,438</u>	<u>-</u>

## 7 CASH AND CASH EQUIVALENTS

	31.03.21 AED	31.03.21 INR	31.03.20 INR
Cash at bank in current accounts	3,602,185	71,697,890	45,601,447
	<u>3,602,185</u>	<u>71,697,890</u>	<u>45,601,447</u>



## 8 OTHER CURRENT ASSETS

	31.03.21 AED	31.03.21 INR	31.03.20 INR
Receivable from DAFZA, Dubai	790	15,724	16,275
Prepaid rents	132,478	2,636,842	2,730,312
Prepaid insurance	18,931	376,803	458,619
Prepaid HRA	16,063	319,718	355,367
Prepaid family visa charges	671	13,356	32,302
Prepaid others	2,856	56,846	-
VAT receivables	2,256	44,903	81,106
Other receivables	666	13,256	73,710
	<u>174,711</u>	<u>3,477,447</u>	<u>3,747,692</u>

## 9 EQUITY SHARE CAPITAL

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

	31.03.21 AED	31.03.21 INR	31.03.20 INR
Hindustan Petroleum Corporation Limited, India	3,107,000	59,236,270	59,236,270
	<u>3,107,000</u>	<u>59,236,270</u>	<u>59,236,270</u>

## 10 SHARE APPLICATION MONEY PENDING ALLOTMENT

	31.03.21 AED	31.03.21 INR	31.03.20 INR
Hindustan Petroleum Corporation Limited, India	1,223,000	24,105,330	-
	<u>1,223,000</u>	<u>24,105,330</u>	<u>-</u>

## 11 TRADE ACCOUNTS PAYABLES

	31.03.21 AED	31.03.21 INR	31.03.20 INR
Trade creditors	1,652,798	32,897,291	1,123,496.14
	<u>1,652,798</u>	<u>32,897,291</u>	<u>1,123,496</u>
The ageing of trade creditors is as follows:			
Less than 3 months	1,074,755	21,391,924	1,123,496
3 to 6 months	578,043	11,505,368	-
	<u>1,652,798</u>	<u>32,897,291</u>	<u>1,123,496</u>

## 12 OTHER FINANCIAL LIABILITIES

	31.03.21 AED	31.03.21 INR	31.03.20 INR
Accrued expenses	14,956	297,684	269,358
Advance from customers	251	4,996	103,005
Hindustan Petroleum Corporation Limited, India	1,194,737	23,780,040	19,503,557
Other payables	19,050	379,171	872,267
	<u>1,228,994</u>	<u>24,461,891</u>	<u>20,748,187</u>



### 13 REVENUE

	31.03.21 AED	31.03.21 INR	31.03.20 INR
Sales	4,542,413	91,866,669	14,636,626
	<u>4,542,413</u>	<u>91,866,669</u>	<u>14,636,626</u>
Disaggregation of revenue:			
Export	3,153,068	63,768,281	3,079,199
Other than export	1,389,345	28,098,388	11,557,427
	<u>4,542,413</u>	<u>91,866,669</u>	<u>14,636,626</u>

### 14 OTHER INCOME

	31.03.21 AED	31.03.21 INR	31.03.20 INR
Interest received	5,083	102,800	-
Balances written back	473	9,566	-
	<u>5,556</u>	<u>112,366</u>	<u>-</u>

### 15 COST OF SALES

	31.03.21 AED	31.03.21 INR	31.03.20 INR
Purchases	3,686,822	74,563,025	6,413,852
Changes in inventory of materials	-	-	6,141,893
Other direct expenses	156,154	3,158,090	926,939
	<u>3,842,976</u>	<u>77,721,115</u>	<u>13,482,683</u>

### 16 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	31.03.21 AED	31.03.21 INR	31.03.20 INR
Employee benefit expenses	86,308	1,745,510	1,787,695
Annual lease rent cost	127,575	2,580,102	2,953,203
Postage, telephone and internet	29,107	588,666	511,929
Insurance charges	10,566	213,689	147,231
Travelling expenses	27,932	564,902	1,272,639
Professional fee	35,909	726,231	798,320
Government fees	10,706	216,520	951,612
Advertisement and business promotion	19,729	399,003	125,685
Selling expenses	5,560	112,447	-
Bank charges	2,512	50,803	101,185
Other expenses	35,605	720,083	105,741
	<u>391,509</u>	<u>7,917,956</u>	<u>8,755,240</u>

## 17 MANAGEMENT REMUNERATION

	31.03.21 AED	31.03.21 INR	31.03.20 INR
Mr. Subhendu Mohanty	590,467	11,941,723	16,461,197
	<u>590,467</u>	<u>11,941,723</u>	<u>16,461,197</u>

## 18 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 01.04.20	Additions	Utilization	Reversals	Closing Balance 31.03.21
Excise	Nil	Nil	Nil	Nil	Nil
Sales tax	Nil	Nil	Nil	Nil	Nil
Service tax	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil
Less: Pre-deposit	Nil	Nil	Nil	Nil	Nil
Net	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

## 19 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 the related parties:

	31.03.21 AED	31.03.21 INR	31.03.20 INR
Expenditure:			
Purchases	825,273	16,723,993	5,512,175
Debit note raised by HPCL during the period:			
Manpower and other cost	211,343	4,276,483	11,509,775
	<u>1,036,616</u>	<u>21,000,476</u>	<u>17,021,950</u>
Payable to HPCL:			
Manpower and Other cost	1,048,145	20,862,273	16,585,790
Lease payment	146,592	2,917,767	2,917,767
	<u>1,194,737</u>	<u>23,780,040</u>	<u>19,503,557</u>
Investment in Equity:			
Share Capital including Share application money pending allotment	4,330,000	83,341,600	59,236,270
	<u>4,330,000</u>	<u>83,341,600</u>	<u>59,236,270</u>

(13)





## 20 RISK MANAGEMENT

### Liquidity risk

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

#### Maturities of financial liabilities:

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

31.03.2021	Upto 1 year	1-3 year	Amount in INR
			More than 3 years
Non- derivative financial liabilities			
Trade payables	32,897,291	-	-
Other financial liabilities	<u>681,851</u>	<u>-</u>	<u>-</u>
	<u>33,579,143</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.

## 21 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.

## 22 COVID 19 IMPACT

The COVID 19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various Governments to limit the spread and contain the virus have affected economic activity worldwide. The Company has taken a number of measures to monitor and mitigate the effects of COVID 19 and implemented health and safety measures to protect the staff and such as reduced travel, providing option to work form home.

Management is actively monitoring the global situation on its financial condition, liquidity position, operations and workforce. Given the daily evolution of the COVID19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effect of COVID 19 on its result of operations, financial condition or its liquidity for the year 2020.

As the global pandemic continues to evolve, full assessment of the economic impact and any expected end state is still not determinable, but the Company assumes that it will continue in the following year and beyond. At this stage the impact on the Company and its results has not been significant.

23 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.





## 24 GENERAL

- a) These audited financial statements are issued by the Management of the Company, covering the period from April 01, 2020 to March 31, 2021.
- b) The comparative figures as at March 31, 2020 have been reclassified wherever necessary to conform with the presentation of the current year. Such reclassification do not affect previously reported net profit or Shareholder's equity.
- c) 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:

	Plant and Machinery	Office equipments AED	Furniture & fixtures AED	Total AED	Total INR
<b>Cost</b>					
As at April 01, 2020	-	5,988	32,865	38,853	789,243
Additions	<u>28,029</u>	<u>-</u>	<u>-</u>	<u>28,029</u>	<u>557,889</u>
As at March 31, 2021	<u>28,029</u>	<u>5,988</u>	<u>32,865</u>	<u>66,882</u>	<u>1,347,132</u>
<b>Depreciation</b>					
As at April 01, 2020	-	1,757	5,206	6,963	132,278
Charge for the year	<u>486</u>	<u>1,200</u>	<u>3,288</u>	<u>4,974</u>	<u>121,238</u>
As at March 31, 2021	<u>486</u>	<u>2,957</u>	<u>8,494</u>	<u>11,451</u>	<u>253,515</u>
<b>Net Book Value</b>					
As at March 31, 2021	<u><u>27,543</u></u>	<u><u>3,031</u></u>	<u><u>24,371</u></u>	<u><u>54,945</u></u>	<u><u>1,093,617</u></u>
As at March 31, 2020	<u><u>-</u></u>	<u><u>4,231</u></u>	<u><u>27,659</u></u>	<u><u>31,890</u></u>	<u><u>656,965</u></u>