

**CONFIDENTIAL**

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI - UNITED ARAB EMIRATES**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

**مالية لتدقيق الحسابات**  
**ALYAH AUDITING ACCOUNTANTS**

**Tel: 04 234 35 77 Fax : 04 234 35 99, P.O.Box : 98489**

**E-mail : [alyahauditinga@gmail.com](mailto:alyahauditinga@gmail.com)**

**DUBAI - UNITED ARAB EMIRATES**

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI -UNITED ARAB EMIRATES**  
**FINANCIAL STATEMENTS AND**  
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**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

<b>CONTENTS</b>	<b>PAGE NO.</b>
▪ ESTABLISHMENT INFORMATION	1
▪ PROPRIETOR'S REPORT	2-3
▪ AUDITORS' REPORT	4-5
▪ BALANCE SHEET	6
▪ INCOME STATEMENT	7
▪ STATEMENT OF CHANGES IN CAPITAL	8
▪ CASH FLOW STATEMENT	9
▪ NOTES TO THE FINANCIAL STATEMENTS	10-21

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI- UNITED ARAB EMIRATES**  
**ESTABLISHMENT INFORMATION**

**PROPRIETOR**

M/s. Petrochemical Commercial Company FZE (P C C FZE)

**MANAGING DIRECTOR**

Mr. Mohsen Nouri

**BUSINESS ADDRESS**

Plot No. WWA142A -Jebel Ali, Dubai  
P.O. Box: 17473  
Jebel Ali, Dubai -UAE

**AUDITORS**

**M/s. Alyah Auditing Accountants**  
*Certified Public Accountants*  
Dubai, United Arab Emirates  
P.O. Box : 98489, Dubai -U.A.E  
Tel. :+ 971 4 234 35 77  
Fax : + 971 4 234 35 99  
Email: alyahauditinga@gmail.com

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI -UNITED ARAB EMIRATES**

**PROPRIETOR'S REPORT**

The Proprietor has the pleasure of presenting their annual report together with the financial statements of the establishment for the year ended **September 22, 2021**.

**OPERATIONS:**

The establishment's performance was with the current year turnover of **AED 2,304,041,430** for the year ended **September 22, 2021**.

In terms of sales to assets ratio, the company utilized effectively its resources with outstanding sales to assets ratio of **198%**. The company achieved a gross profit of **0.902%** and a net profit of **1.33%** based on sales.

**RESULTS:**

The Establishment earned a net profit of **AED 30,601,042**.

**ACCOUNTS:**

The Directors reviewed and approved the financial statements of the Establishment for the year ended **September 22, 2021**.

**PROPRIETOR:**

1	Mr. Mohsen Nouri	Manager
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All assets and liabilities of the establishment are owned by M/S Petrochemical Commercial Company (PCC).

**RELEASE:**

The Proprietor release from liability the management and the external auditors in connection with their duties for the year 2021.

**AUDITORS:**

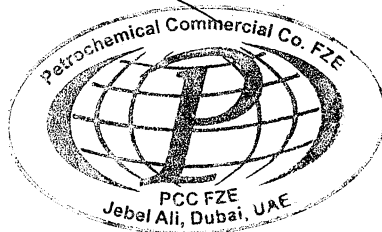
The Auditors M/s. Alyah Auditing Accountants, Dubai, United Arab Emirates have expressed their willingness to work as Auditor for the company. The Directors propose the re-appointment of the auditor for the next financial year.


**OWNERS' RESPONSIBILITIES:**

It is owner's responsibility to prepare the financial statements for each financial year which gives a true and fair view of the stats of the affairs of the establishment and the net profit or loss for that year.

  
\_\_\_\_\_  
*Managing Director*  
**PCC FZE**

*February 04, 2022*



  
\_\_\_\_\_  
*Chairman of the Board*

February 09, 2022  
1154/8/13/M-D**INDEPENDENT AUDITORS' REPORT**

To  
The Proprietor  
M/s. PCC FZE  
JAFZA, Dubai- United Arab Emirates

We have audited the accompanying financial statements of M/s. PCC FZE, which comprise the statement of financial position as of **September 22, 2021** and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The financial statement includes the accounts of the following;

- P C C FZE - Dubai, UAE
- P C C India - Mumbai, India (PCC FZE Branch)
- P C C Shanghai - Shanghai, China
- P C C Oman - Muscat, Oman
- Intrachem Trading GmbH - Germany

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.



# AAA

## ALYAH AUDITING ACCOUNTANTS PUBLIC ACCOUNTANTS

Member: UAE Accountants & Auditors Association (507)

مالية لتدقيق الحسابات  
محاسبون قانونيون

February 09, 2022  
1154/8/13/M-D

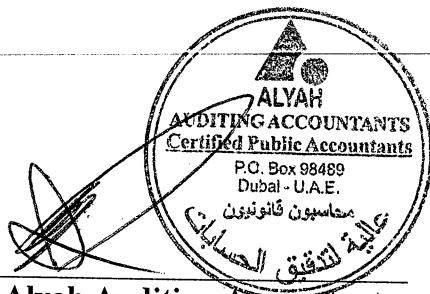
The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **M/s. PCC FZE**, as of **September 22, 2021** and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.



**Alyah Auditing Accountants**  
Certified Public Accountants  
Ali Mohammed Rashed Alshehhi  
Reg. No. 494



مالية لتدقيق الحسابات  
ALYAH AUDITING ACCOUNTANTS

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI- UNITED ARAB EMIRATES**  
**BALANCE SHEET**  
**AS OF SEPTEMBER 22, 2021**

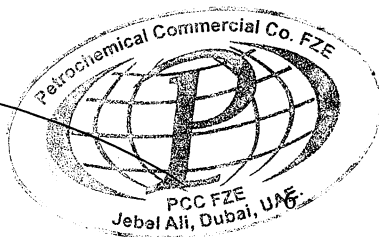
	Notes	Sep. 22, 2021 AED	Sep. 22, 2020 AED
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	4	115,892	48,796
<b>Total Non-Current Assets</b>		<b>115,892</b>	<b>48,796</b>
<b>Current Assets</b>			
Inventories	5	117,658,614	136,159,381
Accounts Receivable	6	114,341,746	114,380,629
Sister Concern Receivable	7-a	904,012,570	941,432,703
Other Current Assets	8	29,756,961	29,405,164
Cash on Hand & in Bank	9	322,323	605,823
<b>Total Current Assets</b>		<b>1,166,092,214</b>	<b>1,221,983,700</b>
<b>Total Assets</b>		<b>1,166,208,106</b>	<b>1,222,032,496</b>
<b>Liabilities and Owner's Equity</b>			
<b>Owner's Equity</b>			
Capital	2	1,000,000	1,000,000
Profit & (Loss)		30,601,042	(15,188,111)
Retained Earnings		264,349,911	285,853,782
<b>Total Owner's Equity</b>		<b>295,950,953</b>	<b>271,665,671</b>
<b>Non-Current Liabilities</b>			
Employees Staff Benefits		57,472	67,203
<b>Total Non-Current Liabilities</b>		<b>57,472</b>	<b>67,203</b>
<b>Current Liabilities</b>			
Sister Concern Payable	7-b	867,314,240	912,240,265
Accounts Payable	10	2,618,910	37,798,447
Other Payables	11	266,531	260,910
<b>Total Current Liabilities</b>		<b>870,199,681</b>	<b>950,299,622</b>
<b>Total Liabilities</b>		<b>870,257,153</b>	<b>950,366,825</b>
<b>Total Liabilities and Owner's Equity</b>		<b>1,166,208,106</b>	<b>1,222,032,496</b>

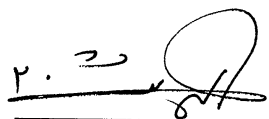
\* Auditors' report is annexed on page no. 4 & 5 .

\* The attached notes form an integral part of these financial statements.

The financial statements on pages 6 to 21 were approved and signed by:

  
For: P C C FZE



  
For: Chairman of the Board





**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI- UNITED ARAB EMIRATES**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

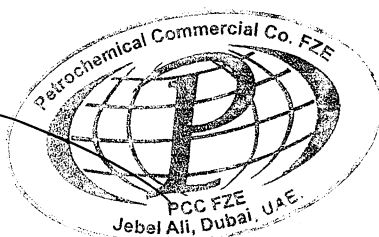
	Notes	Sep. 22, 2021 AED	Sep. 22, 2020 AED
Net Sales	12	2,304,041,430	3,120,209,239
Less: Cost of Sales	13	2,283,266,057	3,100,495,991
<b>Gross Profit (Loss)</b>		<b>20,775,373</b>	<b>19,713,248</b>
Less : General and Administrative Expenses	14	(2,787,204)	(3,398,129)
: Finance Cost	15	(33,921)	(148,341)
: Depreciation	4	(18,193)	(34,360)
: Trustee expenses	16	(427,594)	(839,934)
: Rate difference expenses		-	(3,080,167)
<b>Net Operating Profit</b>		<b>17,508,461</b>	<b>12,212,317</b>
Add: Other Income	17	26,384,818	5,837,497
<b>Net Profit before revenue distribution</b>		<b>43,893,279</b>	<b>18,049,814</b>
<b>Less : Share transferred to sister concern</b>			
PCC Shanghai		(13,292,237)	(33,237,925)
<b>Total share transferred to sister concern</b>		<b>(13,292,237)</b>	<b>(33,237,925)</b>
<b>Net Profit or (Loss) after revenue distribution</b>		<b>30,601,042</b>	<b>(15,188,111)</b>

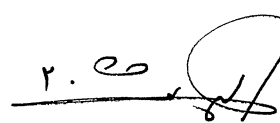
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For: P C C FZE



  
For: Chairman of the Board

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI- UNITED ARAB EMIRATES**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

	<u>Capital</u>	<u>Profit &amp; (Loss)</u>	<u>Retained earnings</u>	<u>Total AED</u>
Capital introduced 23/09/2019	1,000,000	57,352,583	231,146,065	289,498,648
Add (Deduct):				
Last year adjustments	-	-	(2,644,866)	(2,644,866)
Net profit for the year	-	(15,188,111)	-	(15,188,111)
Transferred to retained earnings	-	(57,352,583)	57,352,583	-
<b>Balance as on 22/09/2020</b>	<b>1,000,000</b>	<b>(15,188,111)</b>	<b>285,853,782</b>	<b>271,665,671</b>
Opening balance as on 23/09/2020	1,000,000	(15,188,111)	285,853,782	271,665,671
Add (Deduct):				
Last year adjustments ( <b>Note 1,2,3</b> )	-	-	(6,315,760)	(6,315,760)
Net profit/(loss) for the year	-	30,601,042	-	30,601,042
Transferred to retained earnings	-	15,188,111	(15,188,111)	-
<b>Balance as on 22/09/2021</b>	<b>1,000,000</b>	<b>30,601,042</b>	<b>264,349,911</b>	<b>295,950,953</b>

**Note 1.** The sales invoices of Methanol (Inv no. 1049402 & 1049403 totally the amount of AED 15,881,188) were recorded in previous year Sep. 2020 & the whole sales amount was determined as Profit of this shipment but the cost of goods sold was not recorded. so, in this year Sep. 2021, the cost of goods-sold relevant to these sales with shipment 1056588 has been applied in annual adjustment (retained earnings -15,808,482)

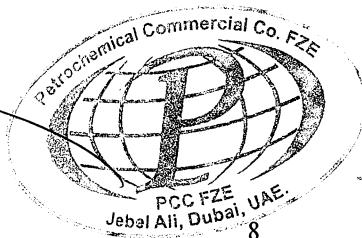
**Note 2.** Cost of freight the amount of EURO 31,724.55 last year Sep. 2020 has been adjusted, in this year with the rate amount: 4.1501 as per Sep. 2021 Euro rate is 4.3907. (Retained earnings +7,633)


**Note 3.** With reference to note 1, since the whole sales amount was identified as income & as per the business agreement the 60% of it was shared as profit of PCC Shanghai in previous year, so after applying the adjustment of COGS in this fiscal year Sep. 2021 & to reflect the correct profit the 60% of COGS has been adjusted. (Retained earnings +9,485,089)

\* Auditors' report is annexed on page no. 4 & 5 .

\* The attached notes form an integral part of these financial statements.

  
For: P C C FZE



  
For: Chairman of the Board

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI- UNITED ARAB EMIRATES**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

	<u>Sep. 22, 2021</u>	<u>Sep. 22, 2020</u>
	<u>AED</u>	<u>AED</u>
<b>Cash flow from operating activities:</b>		
Net income from operation	30,601,042	(15,188,111)
Add: non-cash item depreciation	18,193	34,360
Add non-cash item employees gratuity	(9,731)	62,519
Disposals	166,201	-
Return non-cash item depreciation	(166,201)	-
	<u>30,609,504</u>	<u>(15,091,232)</u>
<b>Net changes in working capital:</b>		
(Increase)/decrease in accounts receivable	38,883	34,191,946
(Increase)/decrease in inventories	18,500,767	283,083,207
(Increase)/decrease in other current assets	(351,797)	(100,074)
Increase/(decrease) in accounts payable	(35,179,537)	28,770,711
Increase/(decrease) in other payables	5,621	241,715
<b>Cash generated from operating activities</b>	<u>13,623,441</u>	<u>331,096,273</u>
<b>Net changes from investing activities:</b>		
Purchase of Property, Plant & Equipment	(85,289)	(46,040)
<b>Cash used in investing activities</b>	<u>(85,289)</u>	<u>(46,040)</u>
<b>Net changes from financing activities:</b>		
Last year adjustments	(6,315,760)	(2,644,866)
Sister concern receivable	37,420,133	(448,059)
Sister concern payable	(44,926,025)	(328,156,337)
<b>Cash used in financing activities</b>	<u>(13,821,652)</u>	<u>(331,249,262)</u>
<b>Net changes in cash and cash equivalents</b>	<u>(283,500)</u>	<u>(199,029)</u>
Cash and cash equivalents at the beginning of the year	<u>605,823</u>	<u>804,852</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>322,323</u>	<u>605,823</u>
<b>Cash and cash equivalents</b>		
Cash on hand	85,057	137,009
Cash in bank	237,266	468,814
	<u>322,323</u>	<u>605,823</u>

\* Auditors' report is annexed on page no. 4 & 5 .

\* The attached notes form an integral part of these financial statements.

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI -UNITED ARAB EMIRATES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

**1. LEGAL STATUS & ACTIVITIES:**

**1.1 Petrochemical Commercial Company FZE (PCC FZE),** Jebel Ali, Dubai –United Arab Emirates (“the Establishment”) is a Limited Liability registered under a commercial license no. 2010 and commercial registration no. 368 issued by Jebel Ali Free Zone Authority (JAFZA), Government of Dubai, U.A.E. on September 01, 1998.

**1.2** The Establishment is engaged in trading of petrochemicals.

**1.3** The management and control are vested to **Mr. Mohsen Nouri**, as the Director Manager.

**1.4** The financial statement includes the accounts of PCC FZE-Dubai, PCC India, PCC Shanghai, PCC Oman and Intrachem Trading GmbH.

**2. CAPITAL**

The Establishment is fully owned by **M/S. Petrochemical Commercial Company (PCC)**, the capital of the Establishment is **AED 1,000,000**.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Basis of Preparation:**

These Financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), and applicable requirements of the U.A.E Law. A summary of the significant accounting policies, which have been applied consistently, are set out below:

**a. Applicable from the current year but not expected to have a material impact on the financial position or performance of the concern and/or would be relevant to the concern:**

- Amendment to IAS 1 – Presentation of Financial Statements regarding other comprehensive income which requires the entities to group items presented in ‘Other comprehensive income’ (OCI) on the basis of whether they are potentially re-classifiable to profit or loss at a future point in time.

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI -UNITED ARAB EMIRATES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

- Amendments to IFRS 7 – ‘Financial Instruments: Disclosures’ on transfer of Financial Assets- No Such items.
- Amendment to IFRS 1 – ‘First Time Adoption’ on Hyperinflation and Fixed Dates.
- Amendment to IAS 12 – Income Taxes’, on Deferred Tax – There is no corporate taxation applicable in the UAE.

**b. Forthcoming requirements available for early adoption in 2012 but not yet effective and adopted by the concern:**

**Effective date: 1 January 2013**

- Amendment to IFRS 1– ‘First Time Adoption’, on government loan. - Not relevant to the concern.
- Amendments to IFRS 7 – ‘Financial Instrument: Disclosures’, on asset and liability offsetting facilities comparison between accounts prepared under IFRS and US GAAP. No such items.
- IFRS 10 – ‘ Financial Statements’, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the financial statements of the parent company. Not relevant to the concern.
- IFRS 11 – ‘Joint Agreement’. This IFRS focuses on the rights and obligations of the parties to the arrangement rather than its legal form. Proportional consolidation of joint ventures is no longer allowed. Not relevant to the concern.
- IFRS 12 – ‘Disclosures of Interests in Other Entities’. This includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off statement of financial position vehicles. Not relevant to the concern.
- Amendments to IFRS 10, 11 & 12 on transition guidance. These amendments provide additional transition relief to IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Not relevant to the concern.
- IAS 27 (Revised 2011) – ‘Separate Financial Statements’ – IAS 27 (Revised 2011) includes the requirements relating to separate financial statements. Not relevant to the concern.

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI -UNITED ARAB EMIRATES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

- IAS 28 (revised 2011) – ‘Associate and Joint Ventures’ – This includes the requirements for associates and joint ventures that have to be equity-accounted following the issue of IFRS 11. Not relevant to the concern.

**Effective date: 01 January 2014**

- Amendment to IAS 32 – Financial Instruments: Presentation’, on asset and liability offsetting – these amendments are to be the application guidance in IAS 32, ‘Financial Instruments: Presentation’, and clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.
- IFRS 13 – ‘Fair Value Measurement’– This aim to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. Not relevant to the concern.
- IAS 19 – ‘Employee Benefits’ as amended in June 2011 regarding methodology of calculation of employee benefits. Not applicable to the concern.
- IFRIC 20 – ‘Stripping Costs in the Production Phase of a Surface Mine’ – Not relevant to the concern.

Management anticipates that the adoption of these standards, amendments and interpretations will have no material impact on the financial statements of the company in the period of initial application.

**c. Accounting convention**

These financial statements have been prepared under historical cost convention and ongoing concern basis.

**d. Inventories**

Inventories are stated at lower of cost and net realizable value using specific identification method. Cost comprises the cost of goods, freight & insurance and the direct expenses that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to disposal.

**P C C FZE LIMITED LIABILITY Y**  
**JAFZA, DUBAI -UNITED ARAB EMIRATES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

**e. Property and Equipment**

Property and Equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprises of purchase price, levies, duties and any directly attributable costs of bringing the asset to its working condition. The cost of fixed assets is depreciated using the straight-line method over the estimated useful economic life as follows:

	<u>Year</u>
Motor Vehicle	5
Furniture & fixtures / Office Equipment	5
Warehouse & Building	20

Depreciation on additions to fixed assets during the year is charged for the whole year while no depreciation is charged on the fixed assets disposed of during the year.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and assets so replaced if any, are retired.

Gains and losses on disposal of assets are taken to the current year's income statement.

**f. Impairment of assets**

Property, Plant and Equipment are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of income.

**g. Lease**

Assets acquired under finance lease are capitalized and the outstanding future lease obligations are shown as due to bank. The interest element of finance leases payments is charged to statement of income in the year in which it relates.

**h. Revenue recognition**

Sale of goods is recognized when goods are delivered and title has passed; net of discounts and sales returns.

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI - UNITED ARAB EMIRATES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

i. The Audited Financial report of the Fiscal Year September 22, 2021 includes, the financial statement of the accounts of PCC FZE (Dubai/India) & also Reflects the Trading Operations of PCC (China, Shanghai, & Intrachem Trading GmbH). The Reports of Trade are formally received from the parent company, PCC Iran.

**j. Financial expenses**

Financial expenses are accounted in the statement of income in the period in which they are incurred. Except to the extent, that the borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets shall be capitalized as part of cost of that asset.

**k. Employees' terminal benefits**

Amounts required to cover end of service indemnity at the balance sheet date are computed pursuant to the UAE Federal Labor Law based on the employees' accumulated period of service and current basic remuneration at the balance sheet date.

Employees' terminal benefits are accounted on cash payment basis.

**l. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

**m. Foreign Currency Transactions**

Transactions in foreign currency are converted into UAE Dirham at the prevailing exchange rate on the date of such transactions entered into. Foreign currency assets and liabilities outstanding as at the close of business are recorded at exchange rate prevailing at the close of business on the balance sheet date. Resultant loss or gain has been accounted in the period in which such assets are realized or liabilities are settled.



**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI -UNITED ARAB EMIRATES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

**n. Financial Instruments**

Financial instruments comprise financial assets and financial liabilities. Financial assets and financial liabilities are recognized on the Company's balance sheet when the Company has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial assets, a contractual right to exchange financial instruments under conditions that are potentially favorable or an equity instrument. A financial liability is any liabilities that are a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavorable.

**Trade receivables**

Sales made on credit are included in trade receivables at the balance due, as reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as they arise.

**Trade payables**

Trade payables are stated at their nominal value.

**o. Accounting Systems**

The concern's system of control is dependent upon close involvement of the management. We have accepted assurance from the Managing Director that all the business transactions have been reflected in the records and financial statements.

**p. Cash and cash equivalents**

Cash and cash equivalents comprise of cash on hand and balances with bank which are free of encumbrances.

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI- UNITED ARAB EMIRATES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

**4 PROPERTY, PLANT AND EQUIPMENT**

<b><u>COST</u></b>	<b>Motor Vehicles</b>	<b>Warehouse Building</b>	<b>Furniture &amp; Fixture</b>	<b>Office Equipment</b>	<b>AED Total</b>
As on 23/09/2020	605,197	859,969	171,673	584,446	2,221,285
Additions	-	-	58,933	26,356	85,289
Disposals	(145,784) *	-	-	(20,417)	(166,201)
As on 22/09/2021	459,413	859,969	230,606	590,385	2,140,373
<b><u>LESS: DEPRECIATION</u></b>					
As on 23/09/2020	603,152	859,959	154,973	554,405	2,172,489
For the year	2,005	-	4,778	11,410	18,193
Disposals	(145,784) *	-	-	(20,417)	(166,201)
As on 22/09/2021	459,373	859,959	159,751	545,398	2,024,481
<b><u>NET BOOK VALUE</u></b>					
As on 22/09/2021	40	10	70,855	44,987	115,892
As on 22/09/2020	2,045	10	16,700	30,041	48,796

\* With due to the end of fiscal year, the process of property checking was done. It turned out that a Toyota Car which was already sold in 2011 but the all proper related records were not made in the accounting books. After a careful examination of the documents, the relevant records of selling the car were issued.

**5 INVENTORIES**

	<b>Sep. 22, 2021 AED</b>	<b>Sep. 22, 2020 AED</b>
Stock held for sale	117,658,614	136,159,381
Goods in Transit	-	-
	<b>117,658,614</b>	<b>136,159,381</b>

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI- UNITED ARAB EMIRATES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

	Sep. 22, 2021	Sep. 22, 2020
	<u>AED</u>	<u>AED</u>
<b>6 <u>ACCOUNTS RECEIVABLE</u></b>		
<b>Trade debtors (Contracts)</b>		
Chemimpex	6,646,242	6,646,242
Seven & Seven	28,663,620	28,663,620
Pariz Global	5,898,329	5,898,329
Wisehili General Trading	47,304,492	47,304,492
Petro Qeshm	5,120,000	5,120,000
Zalvand	18,015,933	18,015,933
Mehr	342,324	342,324
Gecopham	781,210	781,210
Global Trade Well	12,862	12,862
Intrachem	860,264	860,264
Others	696,470	735,353
	<u>114,341,746</u>	<u>114,380,629</u>
<b>7 <u>SISTER CONCERN</u></b>		
<b>a. <u>Sister Concern Receivables</u></b>		
Zarouni Petroleum FZE	42,959,772	42,930,918
Cube International FZE	2,289,961	2,289,961
APMC FZE	211,227,529	211,341,927
ODS (UAE & India trade)	251,791,781	268,392,544
ODN (Intrachem Trade)	149,708,330	61,686,417
PCC Shanghai	204,204,600	306,466,188
Golden International FZE	-	14,289,374
Eastern Trading International FZE	12,074,578	14,525,076
Eastern Trading International FZE UAQ	16,064	3,686,714
Eastern Trading International FZE (PCC)	8,280,500	5,061,219
Millennium Trading FZE	131,795	141,656
Noor plast Trading FZE	10,298,823	98,265
Duran International FZE	319,401	319,401
Duran Plast International FZE	8,174,345	8,174,770
Clarte General Trading FZE	1,690,202	1,690,202
Golden International FZE (PCC)	581,330	-
Oyster Petrochem FZE	152,000	226,501
Emirates Pearl C.B. LLC	91,127	91,127
Duke Marina FZE	18,433	18,433
Sigmapet	2,000	2,010
	<u>904,012,570</u>	<u>941,432,703</u>

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI- UNITED ARAB EMIRATES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

	Sep. 22, 2021	Sep. 22, 2020
	<u>AED</u>	<u>AED</u>
<b>7 <u>SISTER CONCERN (continued)</u></b>		
<b><u>b. Sister Concern Payables</u></b>		
PCC	788,770,671	834,312,388
Duran Plast International FZE (PCC )	8,174,345	8,174,770
Clarte General Trading FZE (PCC)	1,690,202	1,690,202
Zarouni Petroleum FZE (PCC)	42,959,772	42,930,917
Golden International FZE (PCC)	-	16,866,076
Duran International FZE (PCC)	319,401	319,401
Millennium Trading FZE (PCC)	1,445,592	1,453,919
Noor Plast Trading FZE (PCC)	10,793,518	59,150
Oyster Petrochem FZE (PCC)	152,000	226,501
Eastern Trading International FZE UAQ (PCC)	402,583	3,805,410
Cube International FZE (PCC)	2,289,961	2,289,961
Emirates Pearl C.B LLC (PCC)	91,127	91,127
Duke Marina FZE (PCC)	18,433	18,433
Sigmapet (PCC)	2,000	2,010
Duran Plast *	5,806,921	-
Golden International FZE **	4,397,714	-
	<u>867,314,240</u>	<u>912,240,265</u>

\*The amount of 5,806,921 dirhams after careful examination of the accounts of other creditors (Note 10), it was determined that this amount is payable to Duran Plast Company, as a result, it was deducted from the accounts of other creditors and added in this section.

\*\* Mr. Thayyeb Ahmed was withdrawn AED 39,307 from the banks of trust companies without the company's knows.

**8 OTHER CURRENT ASSETS**

Deposits	655,823	648,053
Prepayments	495,950	123,436
L/C Commission	28,605,188	28,605,188
Cash advance & loan	-	28,000
Others	-	487
	<u>29,756,961</u>	<u>29,405,164</u>

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI- UNITED ARAB EMIRATES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

	Sep. 22, 2021 <u>AED</u>	Sep. 22, 2020 <u>AED</u>
<b>9 <u>CASH ON HAND &amp; IN BANK</u></b>		
Cash on hand	85,057	137,009
Cash in bank	<u>AED 237,266</u>	-
BMI AED	680	2,509
BMI AED Call Ac	22,802	22,802
BMI EUOR	141,320	133,576
BSI AED	-	3,921
India Bank	10,408	306,006
Jahan Indus Bank	56,478	-
Laxmi Vilas Bank	<u>5,578</u>	-
	<u>322,323</u>	<u>605,823</u>
<b>10 <u>ACCOUNTS PAYABLE</u></b>		
Kharg petrochemical	51,751	51,751
Khouzeestan petrochemical	537,000	537,000
TEB Plastic	192,325	19,180
Reserve account	-	29,393,469
Denox Rhone General Trading	5,228	-
Other creditors	<u>1,832,606</u>	<u>7,797,047</u>
	<u>2,618,910</u>	<u>37,798,447</u>
<b>11 <u>OTHER PAYABLES</u></b>		
Accrued expenses	<u>266,531</u>	<u>260,910</u>
	<u>266,531</u>	<u>260,910</u>
<b>12 <u>NET SALES</u></b>		
Sales		
PCC Shanghai	2,137,368,698	2,742,232,583
PCC FZE & India DS	78,650,820	281,369,541
Intrachem DN	88,021,912	94,460,455
PCC Oman	-	2,146,660
	<u>2,304,041,430</u>	<u>3,120,209,239</u>
<b>12.a <u>Trade profit &amp; loss of PCC Shanghai</u></b>		
Net sales PCC Shanghai	2,137,368,698	2,742,232,583
Less: cost of sales & all expenses	<u>(2,115,214,906)</u>	<u>(2,686,836,042)</u>
Net Operating Profit PCC Shanghai	<u>22,153,792</u>	<u>55,396,541</u>

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI- UNITED ARAB EMIRATES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

	<u>Sep. 22, 2021</u>	<u>Sep. 22, 2020</u>
	<u>AED</u>	<u>AED</u>
<b>13 <u>COST OF SALES</u></b>		
Inventory - Opening	136,159,381	419,242,588
Add: Purchases	2,256,045,204	2,631,722,682
: Insurances	-	351,783
: Freights exp.	3,165,251	113,885,033
: Inspections exp.	14,839	5,110
: Storages exp.	615,914	26,534,074
: Demurrages exp.	1,306,449	3,972,588
: Bank Service Charges	1,356,090	1,156,632
: Others exp.	2,261,543	39,784,882
Total goods available for sale	<u>2,400,924,671</u>	<u>3,236,655,372</u>
Less: Inventory - Closing	<u>117,658,614</u>	<u>136,159,381</u>
	<u><u>2,283,266,057</u></u>	<u><u>3,100,495,991</u></u>
<b>14 <u>GENERAL AND ADMINISTRATIVE EXPENSES</u></b>		
Salaries, allowances & benefits	610,746	832,925
Board members remuneration	49,341	20,600
Office expenses	45,215	22,565
Advertising & exhibition	-	160
Mission salaries	744,538	947,573
Mission expenses	13,340	76,477
Communication	45,641	73,436
Accommodations in mission	332,731	362,673
Warehouse expenses	37	13,222
Tax	80,657	93,502
Medical expenses	9,800	17,608
Office & warehouse rent	535,793	508,984
Vehicles expenses	49,779	51,715
Printing and stationery	11,756	18,971
License, visa and immigration	48,531	84,396
Travelling and tickets	24,363	36,931
Courier and postage	1,387	4,055
Legal, professional & consultancy expenses	46,262	56,540
Transportation and conveyance	5,452	8,814
Repair and maintenance	12,309	2,548
Insurances	89,088	52,799
VAT	12,034	18,322
Miscellaneous	18,404	93,313
	<u>2,787,204</u>	<u>3,398,129</u>

**P C C FZE LIMITED LIABILITY**  
**JAFZA, DUBAI- UNITED ARAB EMIRATES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 22, 2021**

	<u>Sep. 22, 2021</u> AED	<u>Sep. 22, 2020</u> AED
<b>15 <u>FINANCE COST</u></b>		
Bank charges and interests	2,196	3,431
Financial exp.	31,725	144,910
	<b>33,921</b>	<b>148,341</b>
<b>16 <u>TRUSTEE EXPENSES</u></b>		
Rent, License & Visa	242,749	240,919
Professional fees	136,704	189,520
Financial	36,632	310,221
others	11,509	99,274
	<b>427,594</b>	<b>839,934</b>
<b>17 <u>OTHER INCOME</u></b>		
Commission income	3,183,865	5,582,336
Interest income	4,483	295
Exchange rate income	23,179,351 *	-
Freight income	17,119	158,266
Other income	-	96,600
	<b>26,384,818</b>	<b>5,837,497</b>

\* Income from exchange rate changes this year was AED 23,179,351, but last year was negative, which was calculated on page 7 in the expenses section.

**18 STAFF STRENGTH**

Number of employees (at end of year)

11

7

The number of employees mentioned belongs to PCC FZE-Dubai Company & its branch in PCC-I

**19 GENERAL**

a. All figures have been rounded off to the nearest dirham.

b. It is confirmed by the management that there is no liability other than as mentioned in these financial statements.