

ZEE GOLD DMCC

Separate Financial Statements

As at 31 March 2018

Registered office:

Unit No: 806, Swiss Tower,
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ZEE GOLD DMCC

Separate financial statements 31 March 2018

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ZEE GOLD DMCC
Director's report

The director submits his report and the separate financial statements for the financial year ended 31st March 2018.

Results

The net profit for the year amounted to AED 6,697,599/-

Review of the business

The principle activity of the company is dealing in non-manufactured precious metal. During the year, company was in the business of trading in refined gold bars.

Revenue, gross profit, net profit, gross profit ratio and net profit ratio for the year ended 31st March 2018 were as follows:

SR NO.	Particulars	31.03.2018 AED	31.03.2017 AED
1.	Revenue	1,905,091,088	1,817,688,840
2.	Gross profit	14,357,229	9,297,496
3.	Net profit	6,697,599	1,253,033
4.	Gross profit ratio	0.75%	0.51%
5.	Net profit ratio	0.35%	0.07%

Events since the end of the year

There were no important events, which have occurred since the year-end that materially affect the company.

Shareholder and its interest

The shareholder as at 31 March 2018 and its interest as at that date in the share capital of the company was as follows:

	<u>No. of shares</u>	<u>% of shares</u>	<u>AED</u>
M/s. Shirpur Gold Refinery Ltd. - India.	<u>18,450</u>	<u>100</u>	<u>18,450,000</u>

Auditor

A resolution to re-appoint M/s Abdulaziz Panis and Shah Associates Chartered Accountants LLC as auditors for the year ended 31st March 2019 and to fix their remuneration will be proposed at the annual general meeting.



DIRECTOR



ZEE GOLD DMCC

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Zee Gold DMCC is Licensed and Regulated by Dubai Multi Commodity Centre Authority



Independent Auditors' report to the Shareholder of ZEE GOLD DMCC

Report on the separate financial statements

We have audited the accompanying separate financial statements of **ZEE GOLD DMCC**, which comprises the separate statement of financial position as of 31 March 2018, the separate statement of comprehensive income, separate statement of changes in equity and the separate statement of cash flows for year then ended and a summary of significant accounting policies and explanatory notes.

Management's responsibilities for the Separate financial statements

Management is responsible for the preparation and fair presentations of these Separate financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Separate 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 circumstance.

Auditors' responsibility

Our responsibility is to express an opinion on these Separate financial statements based on our audit. We conducted our audit in accordance with 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 Separate financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Separate 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 Separate 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 the management, as well as evaluating the overall presentation of the Separate 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 separate financial statements present fairly, in all material respects, the financial position of **ZEE GOLD DMCC** as of 31 March 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards & DMCC Company Regulations No. (1/03) of 2003 as amended.

Abdulaziz Panis & Shah Assoc
ABDULAZIZ PANIS AND SHAH ASSOCIATES
CHARTERED ACCOUNTANTS L.L.C.
Registration No. 802

Dubai, U.A.E

27th May 2018.



ZEE GOLD DMCC

Separate statement of financial position
As at 31 March 2018

	<i>Notes</i>	<i>2018</i> <u><i>AED</i></u>	<i>2017</i> <u><i>AED</i></u>
ASSETS			
Non-Current assets			
Fixed assets	4	356,729	484,728
Intangible assets	5	65,237	87,935
Investment in subsidiary	6 & 21	<u>25,111,688</u>	<u>32,219</u>
Total non-current assets		<u>25,533,654</u>	<u>604,882</u>
Current assets			
Inventories	7	4,142,263	12,009
Trade & other receivables	8 & 21	72,763,897	116,144,460
Prepayments	9	608,758	492,528
Cash and cash equivalents	10	<u>2,995,268</u>	<u>8,828,617</u>
Total current assets		<u>80,510,186</u>	<u>125,477,614</u>
Total assets		<u>106,043,840</u>	<u>126,082,496</u>
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	11	18,450,000	18,450,000
Accumulated profit/(losses)		<u>3,198,231</u>	<u>(3,499,368)</u>
Equity funds		21,648,231	14,950,632
Shareholder's current account	12	76,825	216,647
Shareholder's loan account	13 & 21	<u>5,893,332</u>	<u>35,995,769</u>
Total shareholder's funds		<u>27,618,388</u>	<u>51,163,048</u>
Non-current liabilities			
Provision for staffs' service-end benefits	14	<u>73,198</u>	<u>41,838</u>
Total non-current liabilities		<u>73,198</u>	<u>41,838</u>

(Statement of financial position continued....)

ZEE GOLD DMCC

Separate statement of financial position
As at 31 March 2018

	<i>Notes</i>	<i>2018</i> <u>AED</u>	<i>2017</i> <u>AED</u>
Current liabilities			
Bank borrowings	15	55,039,416	70,743,028
Trade & other payables	16	<u>23,312,838</u>	<u>4,134,582</u>
Total current liabilities		<u>78,352,254</u>	<u>74,877,610</u>
Total equity and liabilities		<u>106,043,840</u>	<u>126,082,496</u>

*The accompanying notes form an integral part of these Separate financial statements.
The report of auditors is set forth on page 2.*

We confirm that we are responsible for these Separate financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved by the director on 27th May 2018.

For ZEE GOLD DMCC

DIRECTOR



ZEE GOLD DMCC**Separate statement of comprehensive income***For the year ended 31 March 2018*

	<i>Notes</i>	<i>Year ended 31.03.2018 <u>AED</u></i>	<i>Year ended 31.03.2017 <u>AED</u></i>
Revenue	21	1,905,091,088	1,817,688,840
Cost of revenue	17 & 21	<u>(1,890,733,859)</u>	<u>(1,808,391,344)</u>
Gross profit		14,357,229	9,297,496
Other income	18 & 21	-	281,837
Managerial remuneration	21	-	(266,159)
Finance charges	19 & 21	(6,019,009)	(5,087,017)
Expenses	20 & 21	<u>(1,640,621)</u>	<u>(2,973,124)</u>
Net profit for the year		<u>6,697,599</u>	<u>1,253,033</u>

The accompanying notes form an integral part of these separate financial statements.

ZEE GOLD DMCC**Separate statement of changes in equity***For the year ended 31 March 2018*

	<i>Share Capital <u>AED</u></i>	<i>Accumulated (losses)/profits <u>AED</u></i>	<i>Total <u>AED</u></i>
As at 31 March 2016	18,450,000	(4,752,401)	13,697,599
Net profit for the year	-	<u>1,253,033</u>	<u>1,253,033</u>
As at 31 March 2017	18,450,000	(3,499,368)	14,950,632
Net profit for the year	-	<u>6,697,599</u>	<u>6,697,599</u>
As at 31 March 2018	<u>18,450,000</u>	<u>3,198,231</u>	<u>21,648,231</u>

The accompanying notes form an integral part of these Separate financial statements.

ZEE GOLD DMCC

Separate statement of cash flows
For the year ended on 31 March 2018

	<i>Year ended</i> 31.03.2018	<i>Year ended</i> 31.03.2017
<i>Notes</i>	<u>AED</u>	<u>AED</u>
<u>Cash flows from operating activities</u>		
Net profit for the year	6,697,599	1,253,033
Adjustment for:		
Finance charges	6,019,009	5,087,017
Provision for staffs' end of service benefits	31,360	41,838
Depreciation & Amortization	<u>150,697</u>	<u>150,466</u>
Operating profit before working capital	12,898,665	6,532,354
(Increase)/decrease in inventories	(4,130,254)	2,747,321
(Increase)/decrease in trade & other receivables	43,380,563	(30,662,957)
(Increase)/decrease in prepayments	(116,230)	(372,844)
Increase/(decrease) in trade & other payables	<u>19,178,256</u>	<u>1,144,360</u>
Net cash generated from/(used in) operating activities	<u>71,211,000</u>	<u>(20,611,766)</u>
<u>Cash flows from investing activities</u>		
(Addition)/deletion of tangible fixed assets	-	(17,080)
(Increase)/decrease in investment in subsidiaries	<u>(25,079,469)</u>	<u>-</u>
Net cash from/ (used in) investing activities	<u>(25,079,469)</u>	<u>(17,080)</u>
<u>Cash flows from financing activities</u>		
Finance charges	(6,019,009)	(5,087,017)
Net movement in bank borrowings	(15,703,612)	70,743,028
Net movement in shareholder's current account	(139,822)	204,018
Net movement in shareholder's loan account	<u>(30,102,437)</u>	<u>(41,619,245)</u>
Net cash from/ (used in) financing activities	<u>(51,964,880)</u>	<u>24,240,784</u>
Net increase/(decrease) in cash and cash equivalents	(5,833,349)	3,611,938
Cash and cash equivalents at beginning of the year	<u>8,828,617</u>	<u>5,216,679</u>
Cash and cash equivalents at end of the year	10 <u>2,995,268</u>	<u>8,828,617</u>

The accompanying notes form an integral part of these Separate financial statements.

ZEE GOLD DMCC

Notes to the separate financial statements

For the year ended 31 March 2018

1. Legal status and business activity

- a) ZEE GOLD DMCC is a limited liability company incorporated in the Dubai Multi Commodities Centre under trade license No. DMCC 32939 issued on 2nd April 2013.
- b) The principle activity of the company is dealing in non-manufactured precious metal. During the year, company was in the business of trading in refined gold bars.
- c) The pricing policies, terms of sales and purchase transactions and credit terms are as approved by the management.
- d) These separate financial statements are prepared in Arab Emirates Dirhams (AED).

2. Significant accounting policies

Basis of Preparation

These separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), Interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and applicable rules and regulations of DMCC Company Regulation No. (1/03) of 2003 as amended. The significant accounting policies, which have been applied, are set out below:

a) Accounting convention

These separate financial statements have been prepared under the historical cost convention. The accounting policies have been consistently applied by the company.

b) Fixed assets

The cost of fixed assets is purchase cost together with any incidental expenses of acquisition. Minor purchases of fixed assets are depreciated fully in the year of purchase. The cost of fixed assets is depreciated by equal annual installments over their estimated useful lives as below

Office equipments	-	5 years
Furniture & fixtures	-	5 years

Depreciation on addition is calculated on a pro-rata basis from the month of addition and on deletion up to and including the month of deletion of the asset.

ZEE GOLD DMCC**Notes to the separate financial statements***For the year ended 31 March 2018***c) Amortization of intangible asset**

Intangible assets acquired, are stated at cost less accumulated amortization and any accumulated impairment losses. Amortization is charged to the separate statement of comprehensive income on a straight-line basis, over the estimated useful lives of five years of intangible assets, unless such lives are indefinite. Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future benefit embodied in the specific asset to which it relates.

d) Inventories

Inventories are valued at cost or net realizable value whichever is lower. Cost comprises of direct purchase price and the overheads 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 cost to disposal.

e) Trade and other receivables

Sales made on credit are included in trade receivables at the date of separate statement of financial position, and reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as they arise.

f) Trade and other payables

Liabilities are recognized for amounts to be paid for goods or services received, whether invoiced by the supplier or not.

g) Provisions

Provisions are recognized when the company has present obligation as a result of past events, which it is probable, will result in an outflow of economic benefits that can be reasonably estimated.

Provisions for employee entitlements to leave salary, gratuity and their passage to their home town as a result of service rendered by employees are provided and are recognized.

ZEE GOLD DMCC**Notes to the separate financial statements***For the year ended 31 March 2018***h) Impairment**

The carrying amount of the company's assets is reviewed at each date of statement of financial position or whenever there is any indication of impairment. If any such indication exists, the recoverable value of the assets is estimated. An impairment loss is recognized where the carrying amount of an asset exceeds its recoverable value. Impairment losses are recognized in the separate statement of comprehensive income when it arises.

i) Revenue recognition

Revenue represents net amount invoiced for gold & silver sold during the year and the premium there on. Revenue from sale of gold at unfixed price is valued at the market rate of gold as on the date of separate statement of financial position. Sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Other income is accounted on accrual basis.

j) Investment in subsidiaries

Investments where the company holds more than 50% of the share capital of the investee company and/or has the power to govern the financial and operating policies of the investee company, so as to obtain benefits from its activities, are treated as subsidiary companies.

The investment in subsidiary company is accounted for at cost less impairment losses, if any.

k) Foreign currency transactions

Transactions in foreign currencies are converted into UAE Dirham at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into UAE Dirham at the rate of exchange ruling at the date of statement of financial position. Resulting gain or loss is taken to the separate statement of comprehensive income.

l) Cash and cash equivalents

Cash and cash equivalents for the purpose of the separate statement of cash flows comprise cash and cheques on hand, bank balances in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

ZEE GOLD DMCC**Notes to the separate financial statements***For the year ended 31 March 2018***m) Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then have recognized as provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

n) Dividend

Dividend is paid out of accumulated profits, when declared.

3. Critical judgments in applying accounting policies

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revision to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

ZEE GOLD DMCC**Notes to the separate financial statements***For the year ended 31 March 2018***Critical judgments in applying accounting policies (contd...)*****Key sources of accounting uncertainty***

The following are the key sources of estimation and uncertainty at the separate statement of financial statement date, that we have significant risks of causing material adjustments to the carrying amounts of assets within the next financial year.

- ***Inventories provision:*** Management regularly undertake a review of the Company's inventory in order to assess the likely realization proceeds, taking into account purchases and replacement prices, age, the rate at which the goods are being sold, the physical damage and quality issues. Based on the assessment, assumptions are made as to the level of provisioning required. As of the date of separate statement of financial position, management has reviewed the provision required for inventory and is of the opinion that no provision is required.
- ***Allowances for doubtful debts on trade receivables:*** Allowances for doubtful debts is determined using a combination of factors, including the overall quality and ageing of receivables and collateral requirements from customers in certain circumstances. Management makes allowance for doubtful debts based on its best estimates at the date of separate statement of financial position. Management believes that no allowance is required.
- ***Useful life of property, plant and equipment:*** Property plant and equipment are depreciated over its estimated useful life, which is based on estimates for expected usage of the asset and expected physical wear and tear. Management has not considered any residual value as it is deemed immaterial.

ZEE GOLD DMCC

Notes to the separate financial statements

For the year ended 31 March 2018

4. Fixed asset*	<i>Office equipments</i> <u>AED</u>	<i>Furniture & fixtures</i> <u>AED</u>	<i>Total</i> <u>AED</u>
Cost			
As at 01.04.2017	267,975	372,021	639,996
Addition during the year	-	-	-
As at 31.03.2018	<u>267,975</u>	<u>372,021</u>	<u>639,996</u>
Depreciation			
As at 01.04.2017	64,228	91,040	155,268
Charge for the year	<u>53,595</u>	<u>74,404</u>	<u>127,999</u>
As at 31.03.2018	<u>117,823</u>	<u>165,444</u>	<u>283,267</u>
Net book value			
As at 31.03.2018	<u>150,152</u>	<u>206,577</u>	<u>356,729</u>
As at 31.03.2017	<u>203,747</u>	<u>280,981</u>	<u>484,728</u>

*In the opinion of the management, there is no impairment in the value of assets as of the reporting date.

5. Intangible asset#	<i>Software</i> <u>AED</u>
As at 01.04.2017	113,490
Addition during the year	-
As at 31.03.2018	<u>113,490</u>
Amortization for the year	
As at 01.04.2017	25,555
Charge for the year	<u>22,698</u>
As at 31.03.2018	<u>48,253</u>
Net book value	
As at 31.03.2018	<u>65,237</u>
As at 31.03.2017	<u>87,935</u>

In the opinion of the management, there is no impairment in the value of intangible assets as of the reporting date.

ZEE GOLD DMCC

Notes to the separate financial statements

For the year ended 31 March 2018

	<u>2018</u> <u>AED</u>	<u>2017</u> <u>AED</u>
6. Investment in subsidiaries[^]		
M/s. Metalli Exploration and Mining – 70% shareholding. - Mali [@] *	25,079,469	-
M/s. Precious Metals Mining & Refining Limited – 100% shareholding, Papua New Guinea ^{\$}	<u>32,219</u>	<u>32,219</u>
	<u>25,111,688</u>	<u>32,219</u>

[@] This represents investments made in 140 unquoted equity share capital.

* Metalli exploration & mining has been valued at USD 8,802,993/- based on valuation report dated 10th October 2016 issued by independent valuer. Further company is having the small scale mining licenses effective from 15th November 2016 having validity of 4 years.

^{\$} This represents investments made in 25,000 unquoted equity share capital.

[^] In the opinion of the management, there is no impairment in respect of the unquoted shares hence, the carrying values of these investments as at 31st March 2018 approximates to their book value. Refer note 21.

7. Inventories^{*}

Pure gold (995)	4,133,202	12,009
Pure silver (995)	<u>9,061</u>	<u>-</u>
	<u>4,142,263</u>	<u>12,009</u>

*As physically verified, valued and certified by the management. The same has been lying at M/s. Al Etihad Gold Refinery DMCC.

8. Trade & other receivables

Trade receivables [@] [^]	71,862,729	69,228,681
Advance to suppliers	645,348	45,904,165
Loan & advances ^{*\$}	184,959	389,524
Other receivables [#]	23,920	35,510
Statutory dues receivables	8,861	-
Deposits	<u>38,080</u>	<u>586,580</u>
	<u>72,763,897</u>	<u>116,144,460</u>

[^] Subsequently received AED 12,789,006/- till 30th April 2018

[@] Ageing of trade receivables 0-90 days AED 71,862,729/-.

* Represents unsecured & interest free loan. Refer note 21.

Includes advances for expenses of AED 3,920/-.

^{\$} The Company has agreed to various set-off arrangements between one of its loans & advances and creditors whereby their payables and receivables in the Company accounts have been netted off against each other to an amount of AED 479,623/-.

ZEE GOLD DMCC**Notes to the separate financial statements***For the year ended 31 March 2018*

	<u>2018</u>	<u>2017</u>
	<u>AED</u>	<u>AED</u>
9. Prepayments		
License fees	20,320	20,000
Insurance	17,542	60,493
Rent	77,883	26,737
Bank facility charges	482,748	369,127
Other expenses	10,265	16,171
	<u>608,758</u>	<u>492,528</u>
10. Cash and cash equivalents		
Cash on hand	4,135	32,179
Bank balances in:		
Settlement account	-	223,000
Current accounts	2,991,133	8,573,438
	<u>2,995,268</u>	<u>8,828,617</u>
11. Share capital		
18,450 shares of AED 1,000/- each	<u>18,450,000</u>	<u>18,450,000</u>
12. Shareholder's current account*		
M/s. Shirpur Gold Refinery Ltd, India	76,825	216,647
	<u>76,825</u>	<u>216,647</u>
<i>*This represents the current account balance of the sole shareholder of the company.</i>		
13. Shareholder's loan account*		
M/s. Shirpur Gold Refinery Ltd, India	5,893,332	35,995,769
	<u>5,893,332</u>	<u>35,995,769</u>
<i>* Represents unsecured & interest bearing loan & includes AED 21,332/- as interest. Refer note 19 & 21.</i>		
14. Provision for staffs' service-end benefits*	<u>73,198</u>	<u>41,838</u>
<i>*The above provision is made as per UAE labour laws.</i>		

ZEE GOLD DMCC

Notes to the separate financial statements

For the year ended 31 March 2018

	<u>2018</u> <u>AED</u>	<u>2017</u> <u>AED</u>
15. Borrowings[^]		
Axis bank [#]	55,039,416	64,073,517
RBL bank [@]	-	-
Gold Loan – Emirates NBD*	-	6,669,511
	<u>55,039,416</u>	<u>70,743,028</u>

[#] Bank facility is taken for the purpose of procurement of gold from bullion banks/miners/bullion traders and to meet working capital requirements as following limits:-

Working Capital demand loan / Stand by Letter of credit from Axis Bank – USD 20 Millions, however with effect from 25th December 2017 it has been reduced to USD 15 million.

The above-mentioned bank facility is Secured by:

- Unconditional and irrevocable SBLC from Axis Bank–India.
- Unconditional and irrevocable SBLC from Axis Bank-India.

[@] Working Capital demand loan / Stand by Letter of credit from RBL Bank Ltd. – USD 3 Millions

The above-mentioned bank facility is Secured by:

- Unconditional and irrevocable SBLC from RBL Bank Ltd. – India.

*Represents gold loan taken from Emirates NBD of 1,459.859 Ozs. The carrying value of loan as at 31st March 2017 is approximates to their book value. The same has been secured against SBLC from Axis bank for AED 38,771,000/- favoring Emirates NBD Bank PJSC. (Gold Loan Facility has been settled during the year)

[^] Refer note 16 & 19.

16. Trade & other payables

Trade payables	23,060,517	3,987,846
Advance from customers	-	14,394
Expenses payable*	<u>252,321</u>	<u>132,342</u>
	<u>23,312,838</u>	<u>4,134,582</u>

* Includes AED 34,672/- as provision for interest on Axis Bank – WCDL. Refer note 15.

17. Cost of revenue

	<u>Year ended</u> <u>31.03.2018</u> <u>AED</u>	<u>Year ended</u> <u>31.03.2017</u> <u>AED</u>
Opening inventories	12,009	2,759,330
Purchases*	1,894,207,186	1,805,546,864
Direct expenses	656,927	97,159
Closing inventories	<u>(4,142,263)</u>	<u>(12,009)</u>
	<u>1,890,733,859</u>	<u>1,808,391,344</u>

* Refer note 21.

ZEE GOLD DMCC

Notes to the separate financial statements

For the year ended 31 March 2018

	<i>Year ended</i> <i>31.03.2018</i>	<i>Year ended</i> <i>31.03.2017</i>
	<u>AED</u>	<u>AED</u>
18. Other income		
Consultancy income*	-	270,846
Miscellaneous income	-	10,991
	<u>-</u>	<u>281,837</u>
* Refer note 21.		
19. Finance charges*		
SBLC charges	2,871,515	1,838,839
Interest expenses	3,147,494	3,248,178
	<u>6,019,009</u>	<u>5,087,017</u>
* Refer note 13, 15 & 21.		
20. Expenses		
Rent*	170,931	238,245
License fees	19,965	20,020
Salaries & allowances	629,413	1,056,435
Depreciation & amortization	150,697	150,466
Staff service end benefits	31,360	41,838
Other administrative expenses	638,255	1,466,120
	<u>1,640,621</u>	<u>2,973,124</u>
* Refer note 21.		
21. Related party transactions		

The company in the normal course of business enters into transactions with other business entities that fall within the definition of a related party as contained in the International Accounting Standard - 24. Related parties are the entities under common ownership and/or common management control and associates.

ZEE GOLD DMCC**Notes to the separate financial statements***For the year ended 31 March 2018***Related party transactions (contd...)**

The significant related party transactions are as under:

	<i>Year ended</i> <i>31.03.2018</i>	<i>Year ended</i> <i>31.03.2017</i>
	<u><i>AED</i></u>	<u><i>AED</i></u>
Revenue	-	1,661,834
Purchases	-	1,610,962
Consultancy income	-	110,100
Financial charges	1,861,202	3,688,392
Rent	-	56,575
Managerial remuneration	<u>-</u>	<u>266,159</u>

At the date of the separate statement of financial position, balances with related parties were as follows:

	<i>2018</i>	<i>2017</i>
	<u><i>AED</i></u>	<u><i>AED</i></u>
Included in shareholder's loan	5,893,332	35,995,769
Included in investment in subsidiaries	25,111,688	32,219
Included in trade & other receivables	<u>184,959</u>	<u>389,524</u>

22. Financial instruments: Credit, interest rate and exchange rate risk exposures

Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally of bank balances and trade and other receivables.

The company's bank balances in current & settlement accounts are placed with high credit quality financial institutions.

As at 31 March 2018, the company's significant concentration from customers within UAE amounted to AED 66,827,862/- and outside UAE is AED 5,034,867/-.

There is no significant concentration of credit risk outside the industry in which the company operates.

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Notes to the separate financial statements

For the year ended 31 March 2018

Financial instruments: Credit, interest rate and exchange rate risk exposures (contd...)

Interest rate risk

The company is exposed to interest rate risk because it has borrowed the funds at fixed plus floating rate, which is linked with LIBOR. Risk has been managed by the company by appropriate mix between fixed & floating rates, also which is as per prevailing international market rates.

Exchange rate risk

There are no significant exchange rates risks as substantially all financial assets and financial liabilities are denominated in UAE Dirham or US Dollar to which the UAE Dirham is pegged, except the followings:

	<i>March 31, 2018</i>	<i>March 31, 2017</i>
	<u>AED</u>	<u>AED</u>
Shareholder's loan - INR	<u>5,893,332</u>	<u>35,995,769</u>

23. Financial instruments: Fair value

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of trade and other receivables and bank balances. Financial liabilities consist of trade and other payables. The fair values of financial instruments are not materially different from their carrying value.

24. Contingent liabilities

There were no significant contingent liabilities at the date of separate statement of financial position.

25. Comparative figures

Previous year's figures have been regrouped/ reclassified to conform to those of the current year. However, it may be noted that previous year's financial statements were audited by an independent auditor who had issued an unqualified report.