

ZEE GOLD DMCC

Separate Financial Statements

As at 31 March 2019

Registered office:
Unit No: 3605, Liwa Heights 1,
Plot No: JLT-PH2-W3A,
Jumeirah Lakes Tower,
Dubai, U.A.E., P.O. Box - 413763
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ZEE GOLD DMCC

Separate financial statements 31 March 2019

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Zee Gold DMCC



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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 2019.

Results

The net profit for the year amounted to AED 7,493,140/-

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 2019 were as follows:

SR NO.	Particulars	31.03.2019	31.03.2018
		AED	AED
1.	Revenue	1,246,621,480	1,905,091,088
2.	Gross profit	14,385,782	14,357,229
3.	Net profit	7,493,140	6,697,599
4.	Gross profit ratio	1.15%	0.75%
5.	Net profit ratio	0.60%	0.35%

Events since the end of the year

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

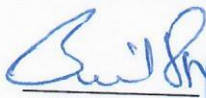
Shareholder and its interest

The shareholder as at 31 March 2019 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 2020 and to fix their remuneration will be proposed at the annual general meeting.


Unit No: 3605
Liwa Heights
Jumeirah Lakes Towers
DUBAI - U.A.E.

DIRECTOR

ZEE GOLD DMCC

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TRN 100034262400003

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

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 2019 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.

We have audited the accompanying separate financial statements of **ZEE GOLD DMCC**, which comprises the separate statement of financial position as of 31 March 2019, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the IASB. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the separate financial statements and we have fulfilled our other ethical responsibility in accordance with these requirements.

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

Management's responsibilities for the Separate financial statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

(Auditor's Report continued on next page.....)



**Independent Auditors' report to the Shareholder of
ZEE GOLD DMCC**

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.

Abdulariz Panis & Shah Associates

**ABDULAZIZ PANIS AND SHAH ASSOCIATES
CHARTERED ACCOUNTANTS L.L.C.**

Registration No. 802

Dubai U.A.E.
16th May 2019.



Separate statement of financial position
As at 31 March 2019

ASSETS	<i>Notes</i>	2019 <u>AED</u>	2018 <u>AED</u>
Non-Current assets			
Fixed assets	4	230,888	356,729
Intangible assets	5	42,539	65,237
Investment in subsidiary	6 & 21	<u>25,079,469</u>	<u>25,111,688</u>
Total non-current assets		<u>25,352,896</u>	<u>25,533,654</u>
Current assets			
Inventories	7	166,694	4,142,263
Trade & other receivables	8 & 21	107,340,593	72,763,897
Prepayments	9	648,476	608,758
Cash and cash equivalents	10	<u>3,712,630</u>	<u>2,995,268</u>
Total current assets		<u>111,868,393</u>	<u>80,510,186</u>
Total assets		<u>137,221,289</u>	<u>106,043,840</u>
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	11	18,450,000	18,450,000
Accumulated profit/(losses)		<u>10,691,371</u>	<u>3,198,231</u>
Equity funds		<u>29,141,371</u>	<u>21,648,231</u>
Shareholder's current account	12	400,717	76,825
Shareholder's loan account	13 & 21	-	5,893,332
Total shareholder's funds		<u>29,542,088</u>	<u>27,618,388</u>
Non-current liabilities			
Provision for staffs' service-end benefits	14	<u>97,548</u>	<u>73,198</u>
Total non-current liabilities		<u>97,548</u>	<u>73,198</u>

(Statement of financial position continued....)

Separate statement of financial position
As at 31 March 2019

	<i>Notes</i>	<i>2019</i> <u><i>AED</i></u>	<i>2018</i> <u><i>AED</i></u>
Current liabilities			
Bank borrowings	15	91,625,590	55,039,416
Trade & other payables	16	<u>15,956,063</u>	<u>23,312,838</u>
Total current liabilities		<u>107,581,653</u>	<u>78,352,254</u>
Total equity and liabilities		<u>137,221,289</u>	<u>106,043,840</u>

*The accompanying notes form an integral part of these Separate financial statements.
The report of auditors is set forth on page 2 & 3*

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 16th May 2019.

For ZEE GOLD DMCC


DIRECTOR



ZEE GOLD DMCC**Separate statement of comprehensive income**
For the year ended 31 March 2019

	<i>Notes</i>	<i>Year ended</i> <i>31.03.2019</i> <u><i>AED</i></u>	<i>Year ended</i> <i>31.03.2018</i> <u><i>AED</i></u>
Revenue		1,246,621,480	1,905,091,088
Cost of revenue	17	<u>(1,232,235,698)</u>	<u>(1,890,733,859)</u>
Gross profit		14,385,782	14,357,229
Other income	18	1,394,490	-
Finance charges	19 & 21	(6,381,072)	(6,019,009)
Expenses	20	<u>(1,906,060)</u>	<u>(1,640,621)</u>
Net profit for the year		<u>7,493,140</u>	<u>6,697,599</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 2019

	<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 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	18,450,000	3,198,231	21,648,231
Net profit for the year	—	<u>7,493,140</u>	<u>7,493,140</u>
As at 31 March 2019	<u>18,450,000</u>	<u>10,691,371</u>	<u>29,141,371</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 2019

	<i>Year ended</i> 31.03.2019	<i>Year ended</i> 31.03.2018
<i>Notes</i>	<u>AED</u>	<u>AED</u>
<u>Cash flows from operating activities</u>		
Net profit for the year	7,493,140	6,697,599
Adjustment for:		
Finance charges	6,381,072	6,019,009
Impairment of Investment	32,219	-
Provision for staffs' end of service benefits	29,738	31,360
Depreciation & Amortization	<u>151,182</u>	<u>150,697</u>
Operating profit before working capital	14,087,351	12,898,665
(Increase)/decrease in inventories	3,975,569	(4,130,254)
(Increase)/decrease in trade & other receivables	(34,576,696)	43,380,563
(Increase)/decrease in prepayments	(39,718)	(116,230)
Increase/(decrease) in trade & other payables	<u>(7,531,113)</u>	<u>19,178,256</u>
Net cash generated from/(used in) operating activities	(24,084,607)	71,211,000
Less : Gratuity paid during the year	(5,388)	-
	<u>(24,089,995)</u>	<u>71,211,000</u>
<u>Cash flows from investing activities</u>		
(Addition)/deletion of tangible fixed assets	(2,643)	-
(Increase)/decrease in investment in subsidiaries	-	(25,079,469)
Net cash from/ (used in) investing activities	<u>(2,643)</u>	<u>(25,079,469)</u>
<u>Cash flows from financing activities</u>		
Finance charges	(6,206,734)	(6,019,009)
Net movement in bank borrowings	36,586,174	(15,703,612)
Net movement in shareholder's current account	323,892	(139,822)
Net movement in shareholder's loan account	<u>(5,893,332)</u>	<u>(30,102,437)</u>
Net cash from/ (used in) financing activities	24,810,000	(51,964,880)
Net increase/(decrease) in cash and cash equivalents	717,362	(5,833,349)
Cash and cash equivalents at beginning of the year	<u>2,995,268</u>	<u>8,828,617</u>
Cash and cash equivalents at end of the year	10 <u><u>3,712,630</u></u>	<u><u>2,995,268</u></u>

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

Notes to the separate financial statements*For the year ended 31 March 2019***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. The company has registered with FTA a TRN Number 100034262400003 with Effect from 01st January 2018
- 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) During the year, company has changed its registered address from “Unit No.806, Swiss Tower, Plot No: JLT-PH2-Y3A, Jumeriah Lakes Tower, Dubai , UAE.” to “Unit no. 3605, Liwa Heights 1, Plot No: JLT-PH2-W3A, Jumeriah Lakes Towers, Dubai, UAE”
- d) The pricing policies, terms of sales and purchase transactions and credit terms are as approved by the management.
- e) 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) Changes in accounting policies and disclosures

Certain new accounting standards, amendments and interpretations that have been published and mandatory from 1st January 2018 reporting periods which have been adopted by the company are noted below.

Notes to the separate financial statements
*For the year ended 31 March 2019****IFRS 9 Financial Instruments***

In July 2014, the IASB issued the final version of IFRS 9 – Financial Instruments (IFRS 9), which reflects all phases of the financial instruments project and replaces IAS 39 – Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The requirements of IFRS 9 will be adopted from 1 January 2018. IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

Changes in accounting policies and disclosures (Contd...)

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. For trade receivables, a simplified approach is permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. Based on an analysis performed by the Company, the application of the simplified approach for impairment of trade receivables following adoption of IFRS 9 will lead to an immaterial impact on provisions for doubtful debts in relation to trade receivables.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces IAS 18 which covers contracts for good and services, the new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer. The impact on the Company's financial statements arising from the change in the recognition and measurement of revenue is not significant as the company recognizes revenue at a point in time when the fair value of the consideration is received or receivable for goods delivered and services rendered in the ordinary course of the company's activities. Revenue comprises of sale of goods and services. Revenue is recognized when the company has delivered the products to the customers, the customers have accepted the products and the collectability of the related receivables is reasonably assured. Revenue from services is calculated based on expenses incurred in providing the services plus a mark-up.

To ensure compliance to local laws and regulations, the management has decided that with effect from current financial year, online gold hedge trade will be disclosed on net basis instead of gross basis. Hence, income / loss will be recorded on net basis in the statement of comprehensive income.

Management has completed its assessment of the impact of this new standard & disclosure method and the effect of change in accounting estimates shall be recognized prospectively.

ZEE GOLD DMCC**Notes to the separate financial statements***For the year ended 31 March 2019***c) 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.

d) 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.

e) 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.

f) 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.

g) Trade and other payables

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

Notes to the separate financial statements
For the year ended 31 March 2019

h) 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.

i) 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.

j) 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.

The Company has initially applied IFRS 15 using the cumulative effect method and recognizes the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of retained earnings of the reporting year that includes the date of initial application.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Company recognizes revenue when it transfers control over good or service to a customer.

Revenue from rendering of services was recognized on the basis of performance obligation satisfied over the period of contract at the reporting date.

ZEE GOLD DMCC**Notes to the separate financial statements***For the year ended 31 March 2019***k) 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.

l) 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.

m) 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.

n) 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.

ZEE GOLD DMCC**Notes to the separate financial statements***For the year ended 31 March 2019***o) 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.

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 2019

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 01.04.2018	267,975	372,021	639,996
Addition during the year	<u>2,643</u>	<u>-</u>	<u>2,643</u>
As at 31.03.2019	<u>270,618</u>	<u>372,021</u>	<u>642,639</u>
Depreciation			
As at 01.04.2018	117,823	165,444	283,267
Charge for the year	<u>54,080</u>	<u>74,404</u>	<u>128,484</u>
As at 31.03.2019	<u>171,903</u>	<u>239,848</u>	<u>411,751</u>
Net book value			
As at 31.03.2019	<u>98,715</u>	<u>132,173</u>	<u>230,888</u>
As at 31.03.2018	<u>150,152</u>	<u>206,577</u>	<u>356,729</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 01.04.2018	113,490
Addition during the year	<u>-</u>
As at 31.03.2019	<u>113,490</u>
Amortization for the year	
As at 01.04.2018	48,253
Charge for the year	<u>22,698</u>
As at 31.03.2019	<u>70,951</u>
Net book value	
As at 31.03.2019	<u>42,539</u>
As at 31.03.2018	<u>65,237</u>

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

Notes to the separate financial statements
For the year ended 31 March 2019

	<u>2019</u> <u>AED</u>	<u>2018</u> <u>AED</u>
6. Investment in subsidiaries		
M/s. Metalli Exploration and Mining – 70% shareholding, - Mali ^{@*}	25,079,469	25,079,469
M/s. Precious Metals Mining & Refining Limited – 100% shareholding, Papua New Guinea ^{\$}	-	32,219
	<u>25,079,469</u>	<u>25,111,688</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. However, management has decided to impair the subsidiary as no future prospect to recover this investment.

[^] 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 2019 approximates to their book value. Refer note 21.

7. Inventories*

Pure gold (995)	166,694	4,133,202
Pure silver (995)	-	9,061
	<u>166,694</u>	<u>4,142,263</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 ^{@^}	106,652,656	71,862,729
Advance to suppliers	3,670	645,348
Loan & advances [*]	530,116	184,959
Other receivables [#]	34,506	23,920
Statutory dues receivables	94,545	8,861
Deposits	25,100	38,080
	<u>107,340,593</u>	<u>72,763,897</u>

[^] Subsequently received AED 23,095,344/- till 09th May 2019

[@] Ageing of trade receivables 0-90 days AED 106,652,656/-.

^{*} Represents unsecured & interest free loan to staff of AED 28,872/- & unsecured & interest-bearing loan of AED 501,244/- Refer note 21.

[#] Includes advances for expenses of AED 3,021/- & interest receivables of AED 31,485/-. Refer note 21.

Notes to the separate financial statements
For the year ended 31 March 2019

	2019	2018
	<u>AED</u>	<u>AED</u>
9. Prepayments		
License fees	20,320	20,320
Insurance	26,041	17,542
Rent	41,000	77,883
Bank facility charges	522,658	482,748
Other expenses	38,457	10,265
	<u>648,476</u>	<u>608,758</u>
10. Cash and cash equivalents		
Cash on hand	1,756	4,135
Bank balances in:		
Current accounts	<u>3,710,874</u>	<u>2,991,133</u>
	<u>3,712,630</u>	<u>2,995,268</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	<u>400,717</u>	<u>76,825</u>
	<u>400,717</u>	<u>76,825</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	<u>-</u>	<u>5,893,332</u>
	<u>-</u>	<u>5,893,332</u>
<i>* Refer note 19 & 21.</i>		
14. Provision for staffs' service-end benefits*		
Opening balance	73,198	41,838
Add: Provision made during the year	29,738	31,360
Less : Paid during the year	<u>(5,388)</u>	<u>-</u>
Closing balance	<u>97,548</u>	<u>73,198</u>
<i>*The above provision is made as per UAE labour laws.</i>		

Notes to the separate financial statements
For the year ended 31 March 2019

	<u>2019</u> <u>AED</u>	<u>2018</u> <u>AED</u>
15. Borrowings[^]		
Axis bank #	52,397,969	55,039,416
RBL bank @	<u>39,227,621</u>	<u>-</u>
	<u>91,625,590</u>	<u>55,039,416</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 15 Millions.

The above-mentioned bank facility is Secured by:

- Unconditional and irrevocable SBLC from Axis Bank-India equivalent to 103% of the WC DL amount.

@ Working Capital demand loan / Stand by Letter of credit from RBL Bank Ltd. – USD 10.75 Millions taken for the purpose of procurement of raw materials & traded goods

The above-mentioned bank facility is Secured by:

- Assignment of specific receivables funded by RBL Bank.
- Unconditional and irrevocable corporate guarantee of M/s. Shirpur Gold Refinery Ltd. – India.
- Letter of comfort form Arm Infra & Utilities Pvt. Ltd (to be signed by one of the promoters) backed by Board resolution.

[^] Refer note 16 & 19.

16. Trade & other payables

Trade payables	15,563,938	23,060,517
Interest payables*	209,010	34,672
Expenses payable	<u>183,115</u>	<u>217,649</u>
	<u>15,956,063</u>	<u>23,312,838</u>

* Refer note 15.

	<i>Year ended</i> <i>31.03.2019</i> <u>AED</u>	<i>Year ended</i> <i>31.03.2018</i> <u>AED</u>
17. Cost of revenue		
Opening inventories	4,142,263	12,009
Purchases	1,226,502,063	1,894,207,186
Direct expenses	1,758,066	656,927
Closing inventories	<u>(166,694)</u>	<u>(4,142,263)</u>
	<u>1,232,235,698</u>	<u>1,890,733,859</u>

ZEE GOLD DMCC**Notes to the separate financial statements**
For the year ended 31 March 2019

	<i>Year ended</i> <i>31.03.2019</i>	<i>Year ended</i> <i>31.03.2018</i>
	<u>AED</u>	<u>AED</u>
18. Other income		
Interest income*	1,394,490	-
	<u>1,394,490</u>	<u>-</u>
<i>* Refer note 21.</i>		
19. Finance charges*		
SBLC charges	1,874,730	2,871,515
Interest expenses	4,506,342	3,147,494
	<u>6,381,072</u>	<u>6,019,009</u>
<i>* Refer note 13, 15 & 21.</i>		
20. Expenses		
Rent	125,613	170,931
License fees	20,265	19,965
Salaries & allowances	704,485	629,413
Impairment of investment	32,219	-
Bad debts	29,472	-
Depreciation & amortization	151,182	150,697
Staff service end benefits	29,738	31,360
Other administrative expenses	813,086	638,255
	<u>1,906,060</u>	<u>1,640,621</u>
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 2019***Related party transactions (contd...)**

The significant related party transactions are as under:

	<i>Year ended</i> <i>31.03.2019</i>	<i>Year ended</i> <i>31.03.2018</i>
	<u>AED</u>	<u>AED</u>
Financial charges	385,350	1,861,202
Interest income	31,485	-
Interest Expenses	<u>698,176</u>	<u>-</u>

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

	<i>2019</i>	<i>2018</i>
	<u>AED</u>	<u>AED</u>
Included in shareholder's loan	-	5,893,332
Included in investment in subsidiaries	25,079,469	25,111,688
Included in trade & other receivables	<u>532,729</u>	<u>184,959</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 2019, the company's significant concentration from customers within UAE amounted to AED 104,002,875/- and outside UAE is AED 2,238,686/-.

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

ZEE GOLD DMCC**Notes to the separate financial statements***For the year ended 31 March 2019***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, 2019</i>	<i>March 31, 2018</i>
	<u>AED</u>	<u>AED</u>
Shareholder's loan - INR	-	<u>5,893,332</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 during the year company has changed the accounting policies with regards to revenue recognition hence figures are not comparable.