

SHIRPUR GOLD DMCC
Financial Statements and Auditor's Report
For The Year Ended March 31, 2023
Dubai - U.A.E.



SHIRPUR GOLD DMCC
Financial Statements and Auditor's Report
For The Year Ended March 31, 2023
Dubai - U.A.E.

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SHIRPUR GOLD DMCC
Dubai - U.A.E.

General information

Principal office address

Unit No: 3605
LIWA HEIGHTS 1
Plot No: JLT-PH2-W3A
Jumeirah Lakes Towers
Dubai
United Arab Emirates

General Manager

Mr. Vishal Suresh Gupta

Owner

M/s. Shirpur Gold Refinery Limited

Auditor

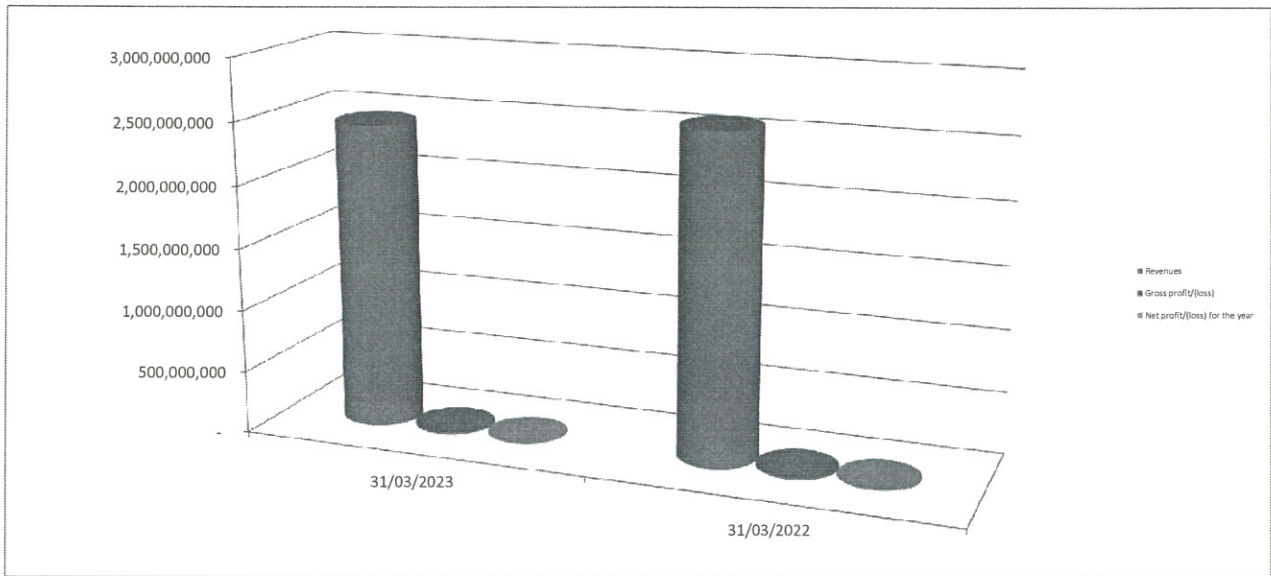
H A M Auditing
United Arab Emirates
Tel: +971 4 297 30 60
Fax: +971 4 297 30 71
Pox: 64021, Dubai - UAE
Website: www.ham.ae



SHIRPUR GOLD DMCC
Dubai - U.A.E.

Performance Analysis:

	<u>31/03/2023</u>	<u>31/03/2022</u>
	AED	AED
Revenues	2,448,522,485	2,593,517,364
Gross profit/(loss)	12,254,862	13,653,016
Net profit/(loss) for the year	5,804,332	11,783,680



Result:

SHIRPUR GOLD DMCC has earned a net profit of AED 5,804,332/- during the year ended March 31, 2023.



Managing Director's Report

The Managing Director has pleasure in submitting his report and the audited financial statements for the year ended March 31, 2023.

Review of business

SHIRPUR GOLD DMCC's principal activity during the year was Non-Manufactured Precious Metal Trading.

Financial review:

Income statement

SHIRPUR GOLD DMCC's revenue performance has met budget expectations having achieved a revenue of AED 2,448,522,485/- for the year ended March 31, 2023. SHIRPUR GOLD DMCC has earned a net profit of AED 5,804,332/-.

The table below summarizes results of 2023 & 2022.

	<u>31/03/2023</u>	<u>31/03/2022</u>
	AED	AED
Revenues	2,448,522,485	2,593,517,364
Cost of revenues	(2,436,267,623)	(2,579,864,348)
Gross profit/(loss)	<u>12,254,862</u>	<u>13,653,016</u>
Gross profit/(loss) margin %	0.50%	0.53%
Net profit/(loss) for the year	5,804,332	11,783,680
Net profit/(loss) margin %	0.24%	0.45%

Events since the end of the year

There are no significant events since the end of the year.

Role of the Manager:

The Manager is the Entity's principal decision-making forum. The Manager has the overall responsibility for leading and supervising the Entity and is accountable to Owner for delivering sustainable shareholder value through its guidance and supervision of the Entity's business. The Manager sets the strategies and policies of the Entity. It monitors performance of the Entity's business, guides and supervises its management.



SHIRPUR GOLD DMCC
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Risk management and internal control systems:

The Entity is committed to the process of identifying risk factors, analyzing the risks and deciding upon measures of risk handling and risk control, with a view to achieving sustainability of business operations, employment and surpluses. The Entity's risk management framework identifies, assesses, manages and reports risks on a consistent and reliable basis. The Manager consider primary risk areas to be credit risk, interest rate risk, foreign exchange and liquidity risk.

The Manager recognize their responsibility to ensure the existence of the system of internal control and for reviewing its continued effectiveness. In view of the above, the management has in place a management information system that facilitates financial and other information being periodically reported on a transparent basis to the management and that in turn helps in initiating action to mitigate risks to the extent feasible.

Management responsibilities

We confirm that We are responsible for these 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.

Auditors

A resolution proposing the appointment of M/s. H A M Auditing of SHIRPUR GOLD DMCC will be put before the ensuing annual general meeting.

Acknowledgement:

The Manager wish to place on record their sincere gratitude for the continuous support extended by various government departments, banks, customers, suppliers, employees and all well wishers.

V.S. G...
Managing Director

18-May-23





Independent Auditor's Report

To: SHIRPUR GOLD DMCC
Dubai: 18/05/2023

Report on the financial statements:-

We have audited the accompanying financial statements of SHIRPUR GOLD DMCC which comprise the statement of financial position as at March 31, 2023 and statement of profit or loss, statement of changes in equity, statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Opinion:-

In our opinion, the financial statements present fairly, in all material respects, the financial position of SHIRPUR GOLD DMCC, as of March 31, 2023 and of its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Management Responsibility for the Financial Statements:-

Management is responsible for the preparation and fair presentation of these financial statements which gives a true and fair view of the state of affairs of SHIRPUR GOLD DMCC and of the net profit or loss for that period and to comply with the applicable provisions in DMCC Company regulation Law 2020. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility:-

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we 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.

The procedures selected depend on our 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, we consider 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 principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Main Branch
Office No.: 912 - 914
Business Village - Dubai

Sharjah Branch
E-LOB Office No.: E44F-06
Hamriyah Free Zone

Barsha Branch
Barsha Mall
Opp. Department of Economic

Al Twar Branch
Al Twar Center
Opp. Tasheel, G. Floor

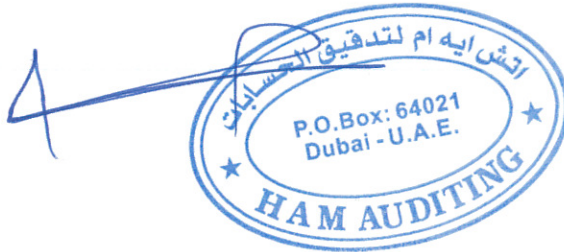


As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to this risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

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

H A M Auditing
Hussien Ahmed Mohamed Ahmed
Reg. No. 1105



Main Branch

Office No.: 912 - 914
Business Village - Dubai

Sharjah Branch

E-LOB Office No.: E44F-06
Hamriyah Free Zone

Barsha Branch

Barsha Mall
Opp. Department of Economic

Al Twar Branch

Al Twar Center
Opp. Tasheel, G. Floor

SHIRPUR GOLD DMCC
Dubai – U.A.E.

Statement of Financial Position
As at March 31, 2023

	Notes	31/03/2023 AED	31/03/2022 AED
Assets			
Non-current assets:			
Tangible fixed assets	4	2	2
Intangible fixed assets	5	1	1
Investment in subsidiary		25,079,469	25,079,469
Total non-current assets:		25,079,472	25,079,472
Current assets:			
Trade receivables	6	110,776,403	111,920,061
Other current assets	7	12,235,445	11,137,996
Cash and Cash equivalents	8	10,478,626	9,895,821
Total current assets:		133,490,474	132,953,878
Total assets		158,569,946	158,033,350
Equity & liabilities			
Share Capital	9	18,450,000	18,450,000
Retained earnings/(losses)	10	38,245,285	32,440,953
Total equity		56,695,285	50,890,953
Non-current liabilities			
Provision for employees end of services	11	103,082	72,149
Due to related parties		1,501,834	1,501,834
Total non-current liabilities		1,604,916	1,573,983
Current liabilities:			
Trade payables	12	9,658,672	13,465,365
Accruals & Other payables	13	2,239,230	2,158,548
Bank borrowings	14	88,371,843	89,944,501
Total current liabilities:		100,269,745	105,568,414
Total liabilities		101,874,661	107,142,397
Total equity & liabilities		158,569,946	158,033,350

The accompanying notes on pages 11 to 15 form an integral part of these financial statements.
The Report of the Auditors is set out on pages 5 & 6.

The financial statements were approved by Manager on May 18, 2023 and signed on its behalf by:

For SHIRPUR GOLD DMCC


 Authorized Signatory




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Statement of Comprehensive Income
For The Year Ended March 31, 2023

	Notes	31/03/2023 AED	31/03/2022 AED
Revenues	15	2,448,522,485	2,593,517,364
Cost of revenues	16	(2,436,267,623)	(2,579,864,348)
Gross profit/(loss)		12,254,862	13,653,016
Operating expenses			
Depreciation	4	-	(1,100)
Administration and selling expenses	17	(3,833,743)	(2,153,842)
Financial charges		(4,902,371)	(2,840,980)
		(8,736,114)	(4,995,922)
Other income		2,285,584	3,126,586
Net profit/(loss) for the year		5,804,332	11,783,680

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SHIRPUR GOLD DMCC
Dubai – U.A.E.

Statement of Cash Flows
For The Year Ended March 31, 2023

	31/03/2023	31/03/2022
	AED	AED
Cash flows from operating activities		
Net profit/(loss) for the year	5,804,332	11,783,680
Adjustments for:		
Depreciation	-	1,100
Provision for employees end of services	30,933	23,380
	-----	-----
Operating cash flow before changes in net operating assets	5,835,265	11,808,160
<u>(Increase) / Decrease in Current Assets</u>		
Trade receivables	1,143,658	780,056
Other current assets	(1,097,449)	(649,824)
<u>Increase / (Decrease) in Current Liabilities</u>		
Trade payables	(3,806,693)	(12,158,623)
Accruals & Other payables	80,682	265,456
Due to related parties	-	-
	-----	-----
Net cash flow from operating activities	2,155,463	45,225
Cash flows from investing activities		
Tangible fixed assets	-	-
	-----	-----
Net cash flow used in investing activities	-	-
Cash flows from financing activities		
Share Capital	-	-
Bank borrowing	(1,572,658)	(1,393,371)
	-----	-----
Net cash flow used in financing activities	(1,572,658)	(1,393,371)
Net increase in cash and cash equivalents	582,805	(1,348,146)
Cash and cash equivalents at beginning of the year	9,895,821	11,243,967
	-----	-----
Cash and cash equivalents at end of the year	10,478,626	9,895,821
	=====	=====

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SHIRPUR GOLD DMCC
Dubai – U.A.E.

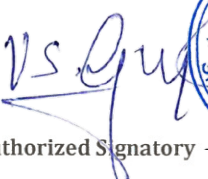
Statement of Changes in Equity
For The Year Ended March 31, 2023

	Share capital AED	Retained earnings /(losses) AED	Total AED
Beginning Balance	18,450,000	20,657,273	39,107,273
Net profit/(loss) for the year	-	11,783,680	11,783,680
Transfer	-	-	-
Net movements in current account	-	-	-
At March 31, 2022	18,450,000	32,440,953	50,890,953
Net profit/(loss) for the year	-	5,804,332	5,804,332
Transfer	-	-	-
Net movements in current account	-	-	-
At March 31, 2023	18,450,000	38,245,285	56,695,285

The accompanying notes on pages 11 to 15 form an integral part of these financial statements.
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For SHIRPUR GOLD DMCC


Authorized Signatory -



SHIRPUR GOLD DMCC
Dubai – U.A.E.

Notes to the Financial Statements
For The Year Ended March 31, 2023

1 Legal status and activities

- 1.1 SHIRPUR GOLD DMCC is registered in Dubai Multi Commodities Centre - Government of Dubai as per Trade license No. DMCC-32939 which was issued at 02/04/2013.
- 1.2 SHIRPUR GOLD DMCC is controlled and managed by Mr. Vishal Suresh Gupta.
- 1.3 License activity is Non-Manufactured Precious Metal Trading.

2 Owner

- 2.1 The Owner of SHIRPUR GOLD DMCC is as follows:

Name	No. of shares	Value per share AED	Total value AED	% Percentage
M/s. Shirpur Gold Refinery Limited	18,450	1,000	18,450,000	100%
	18,450		18,450,000	100%

- 2.2 The authorized and paid up share capital of Shirpur Gold DMCC is AED 18,450,000/- divided into 18,450 shares of AED 1,000/- each.

3 Significant Accounting Policies

a) 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. The financial statements are presented in AED.

b) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB).

c) Accounting convention

These financial statements have been prepared under the historical cost convention. The fair / net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under IFRSs.

d) Revenue recognition

Revenue from sale of goods is recognized when all significant risks and rewards of ownership are transferred to the buyers. In most cases this coincides with the transfer of legal title or passing of possession of goods to the buyers.

e) Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of judgments. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

The areas where various assumptions were exercised in application of accounting policies that are significant to the financial statements are as:

- i Useful life of property, plant and equipment.
- ii Allowance for doubtful debts, specific provisions for individual accounts are recorded based on customer's inability to meet its financial obligations.

f) Foreign currency transactions

Foreign currency transactions are recorded in AED at the approximate rate of exchange ruling at the time of the transaction. All foreign currency gains and losses are booked in the statement of income as and when they arise.



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g) Tangible fixed assets

Tangible fixed assets is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, levies, duties and any directly attributable cost of bringing the asset to its working condition. Depreciation is charged to income applying straight line method.

Full month's depreciation is charged in the month of addition while no depreciation is charged in the month of disposal of fixed assets. Repairs and renewals are charged to income as and when the expenditure is incurred.

h) Impairment of assets

The carrying amount of the entity's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in Statement of Comprehensive Income.

i) Inventory

Inventories are measured at lower of cost and net realizable value. Cost of inventories comprise all costs of purchase, and where applicable costs of conversion and other costs 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 estimated costs necessary to make the sale. The cost of closing inventory is determined on the basis of weighted average cost.

j) Trade receivables

Trade receivables are stated at their nominal value, as reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as and when they arise.

k) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and short term deposits in bank. Bank overdraft if any, is include in current liability under "Short Term Borrowings".

l) Trade payables

Trade payables being financial liabilities are recognised at fair value.

m) Short term borrowings

Obligations towards banking institutions are segregated generally into current portion (short term portion) and non-current portion (long term portion). Obligations which falls within a period of one year is treated as current portion (short term portion).

n) Staff terminal benefits - Gratuity

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

Employees' end of service benefits are accounted on accrual basis.

4 Tangible fixed assets

	Office Equipment AED	Furniture & Fixtures AED	Total AED
Cost			
Beginning Balance	270,618	372,021	642,639
Addition during the year	-	-	-
Disposal during the year	-	-	-
At March 31, 2023	270,618	372,021	642,639
Accumulated depreciation			
Beginning Balance	270,617	372,020	642,637
Charge for the year	-	-	-
Adjustment of disposal	-	-	-
At March 31, 2023	270,617	372,020	642,637
Net book value			
At March 31, 2023	1	1	2
At March 31, 2022	1	1	2



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5 Intangible fixed assets	Software AED	Total AED
Cost		
Beginning Balance	113,490	113,490
Addition during the year	-	-
Disposal during the year	-	-
At March 31, 2023	113,490	113,490
Accumulated depreciation		
Beginning Balance	113,489	113,489
Charge for the year	-	-
Adjustment of disposal	-	-
At March 31, 2023	113,489	113,489
Net book value		
At March 31, 2023	1	1
At March 31, 2022	1	1
	31/03/2023	31/03/2022
	AED	AED
6 Trade receivables		
Trade debtors	110,776,403	111,920,061
Total	110,776,403	111,920,061
Ageing of Debtors		
Ageing for 0-90	10,400,110	44,251,561
Ageing for 91-180	4,330,788	8,676,274
Ageing for 181-270	1,043,159	705,496
Ageing for 270-365	21,699,765	1,465,145
Ageing for 365 and above	73,302,581	56,821,585
Total	110,776,403	111,920,061
7 Other current assets		
Advances to suppliers	410,836	410,836
Loan & advances	6,946,604	6,653,389
Deposits	16,100	22,100
Prepayments	68,735	45,000
VAT receivables	253,453	162,339
Other receivables	4,539,717	3,844,332
Total	12,235,445	11,137,996
8 Cash and Cash equivalents		
Cash in hand	15,115	6,606
Cash at bank	10,463,511	9,889,215
Total	10,478,626	9,895,821
9 Share Capital		
The Owner of SHIRPUR GOLD DMCC as at reporting date are as follows:		
Name of the owner	31/03/2023	31/03/2022
M/s. Shirpur Gold Refinery Limited	100%	100%
Total	100%	100%
	18,450,000	18,450,000
	18,450,000	18,450,000
10 Retained earnings/(losses)		
Balance at the beginning of the year	32,440,953	20,657,273
Net profit/(loss) for the year	5,804,332	11,783,680
Total	38,245,285	32,440,953
11 Provision for employees end of services		
Provision for employees end of services	103,082	2,149
Total	103,082	2,149



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	<u>31/03/2023</u>	<u>31/03/2022</u>
	AED	AED
12 Trade payables		
Trade creditors	9,658,672	13,465,365
Total	<u><u>9,658,672</u></u>	<u><u>13,465,365</u></u>
13 Accruals & Other payables		
Expenses payable	146,468	159,970
Loan and liabilities	1,865,616	1,758,181
Provision for expenses	227,146	240,397
Total	<u><u>2,239,230</u></u>	<u><u>2,158,548</u></u>
14 Bank borrowings		
Bank borrowings	88,371,843	89,944,501
Total	<u><u>88,371,843</u></u>	<u><u>89,944,501</u></u>
15 Revenues		
Sales	2,448,522,485	2,593,517,364
Total	<u><u>2,448,522,485</u></u>	<u><u>2,593,517,364</u></u>
16 Cost of revenues		
Purchases	2,434,171,341	2,576,666,392
Direct expenses	2,096,282	3,197,956
Total	<u><u>2,436,267,623</u></u>	<u><u>2,579,864,348</u></u>
17 Administration and selling expenses		
Rent	93,450	83,760
Salaries	768,992	547,465
License, Legal & Professional fees	2,311,681	965,751
Gratuity	30,933	23,380
Other expenses	628,687	533,486
Total	<u><u>3,833,743</u></u>	<u><u>2,153,842</u></u>
18 Ratio analysis		
18.1 Profitability Indicators		
Gross profit/(loss) margin %	0.50%	0.53%
Net profit/(loss) margin %	0.24%	0.45%
18.2 Liquidity Measurement		
Working capital	33,220,729	27,385,464
Quick ratio	1.33	1.26
Current ratio	1.33	1.26
18.3 Financial Leverage		
Debt equity ratio	179.69%	210.53%
Debt ratio	64.25%	67.80%
18.4 Activity Indicators		
Debtors (Days)	17	16
Creditors (Days)	1	2

19 Fair value of financial instruments

SHIRPUR GOLD DMCC's financial instruments are accounted for under the historical cost convention. Fair value represents the amount at which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, therefore, differences can arise between values under the historical cost method and fair value estimates. The fair value of SHIRPUR GOLD DMCC's financial instruments is not materially different from the carrying value at March 31, 2023.



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Dubai – U.A.E.

20 Interest rate risk

Significant financial instruments, other assets and other liabilities of SHIRPUR GOLD DMCC as at March 31, 2023 are not interest based.

21 Exchange rate risk

Since the main underlying currencies of the financial instruments, other assets, other liabilities and transactions including cost of sales and sales are in AED United Arab Emirates, SHIRPUR GOLD DMCC is exposed to a significant exchange rate risk.

22 Comparative figures

Previous year's figures have been reclassified/ regrouped wherever necessary to conform to the presentation adopted in these financial statements. Figures of SHIRPUR GOLD DMCC have been rounded off to nearest AED 1/-.

The accompanying notes on pages 11 to 15 form an integral part of these financial statements.
The Report of the Auditors is set out on pages 5 & 6.

The financial statements were approved by Manager on May 18, 2023 and signed on its behalf by:

For SHIRPUR GOLD DMCC

Authorized Signatory

