

**MINAL INTERNATIONAL FZE  
SAIF ZONE, SHARJAH, U.A.E  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED MARCH 31, 2021**

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**FALCON INTERNATIONAL  
CONSULTING & AUDITING**

P.O.Box: 44624, Dubai, United Arab Emirates, Tel.: +971 4 3970987  
Fax: +971 4 3970988, E-mail: carakesh@falconauditing.com, admin@falconauditing.com  
Website: www.falconfinservices.com



## INDEPENDENT AUDITOR'S REPORT

To  
The Shareholders  
M/s. Minal International FZE  
P.O. Box- 122691  
Sharjah, United Arab Emirates

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of M/s. **Minal International FZE, SAIF Zone, Sharjah, U.A.E. (the "Establishment")**, which comprise the statement of financial position as at **March 31, 2021** and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Establishment as at **March 31, 2021**, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Matters relating to going concern

We draw attention to the fact that the Establishment has negative net worth during the year ended March 2021, and as of that date, the net equity of the Establishment was AED 204,756/- in Deficit. However, the Establishment continues to be funded by its parent company to meet its liabilities as and when they fall due.

Our opinion is not modified in respect of this matter and these Financial Statements are prepared as a Going Concern.

#### Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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 Establishment'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 Establishment or to cease

*continued...*

operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Establishment's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 those 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 omissions, 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 Establishment'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 management's use of the 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 Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Establishment 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 represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **For FALCON INTERNATIONAL CONSULTING & AUDITING**

##### **Chartered Accountants**

  
**Managing Partner**

**(Rakesh Jain)**

**Reg. No: 606**



**June 17, 2021**

**MINAL INTERNATIONAL FZE**  
**SAIF ZONE, SHARJAH, U.A.E**

**STATEMENT OF FINANCIAL POSITION AS ON MARCH 31, 2021**

	Notes	31-03-2021 AED	31-03-2020 AED
<b>NON-CURRENT ASSETS</b>			
<b>CURRENT ASSETS</b>			
Trade receivables	4	1,537,010	1,577,010
Other receivables	5	11,284	11,284
Cash and cash equivalents	6	8,188	11,877
		<u>1,556,482</u>	<u>1,600,171</u>
<b>TOTAL ASSETS</b>		<u><b>1,556,482</b></u>	<u><b>1,600,171</b></u>
<b>CURRENT LIABILITIES</b>			
Other payables	7	66,295	63,145
		<u>66,295</u>	<u>63,145</u>
<b>NON - CURRENT LIABILITIES</b>			
Unsecured loans	8	1,694,943	1,638,230
		<u>1,694,943</u>	<u>1,638,230</u>
<b>TOTAL LIABILITIES</b>		<u><b>1,761,238</b></u>	<u><b>1,701,375</b></u>
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital		150,000	150,000
Retained earnings/(Accumulated loss)	9	(354,756)	(251,204)
		<u>(204,756)</u>	<u>(101,204)</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,556,482</b></u>	<u><b>1,600,171</b></u>

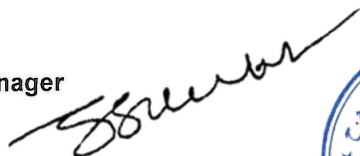
The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set out on page 1 & 2.

Approved by the management on June 17, 2021

For MINAL INTERNATIONAL FZE

Manager




**MINAL INTERNATIONAL FZE**  
**SAIF ZONE, SHARJAH, U.A.E**

**STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR  
ENDED MARCH 31, 2021**

	Notes	31-03-2021 AED	31-03-2020 AED
<b>Deduct</b>			
General & administrative expenses	10	46,839	45,200
Finance charges	11	56,713	56,713
<b>Total expenses</b>		<b>103,552</b>	101,913
<b>Net Profit/(Loss) for the year</b>		<b>(103,552)</b>	(101,913)

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

The report of the independent auditor is set out on page 1 & 2.

Approved by the management on June 17, 2021  
For MINAL INTERNATIONAL FZE

Manager



**MINAL INTERNATIONAL FZE**  
**SAIF ZONE, SHARJAH, U.A.E**

**STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2021**

	Share Capital	Retained Earnings/ (Accumulated loss)	Total AED
<b>Balance as on 01-04-2019</b>	150,000	(149,291)	709
Net Profit/(Loss) for the year	-	(101,913)	(101,913)
<b>Balance as on 31-03-2020</b>	<b>150,000</b>	<b>(251,204)</b>	<b>(101,204)</b>
Net Profit/(Loss) for the year	-	(103,552)	(103,552)
<b>Balance as on 31-03-2021</b>	<b>150,000</b>	<b>(354,756)</b>	<b>(204,756)</b>

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

The report of the independent auditor is set out on page 1 & 2.



**MINAL INTERNATIONAL FZE**  
**SAIF ZONE, SHARJAH, U.A.E**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

	31-03-2021	31-03-2020
	AED	AED
<b>Cash flows from operating activities</b>		
Net profit/(loss) for the year	(103,552)	(101,913)
<b>Funds generated from operations</b>	<u>(103,552)</u>	<u>(101,913)</u>
<b>Changes in working capital</b>		
(Increase) / decrease in trade receivables	40,000	50,000
Increase / (decrease) in other payables	3,150	160
<b>Net cash inflow / (outflow) from working capital activities</b>	<u>43,150</u>	<u>50,160</u>
<b>Net cash inflow / (outflow) from operating activities</b>	<u>(60,402)</u>	<u>(51,753)</u>
<b>Cash flows from investing activities</b>	-	-
<b>Cash flow from financing activities</b>		
Unsecured loans	56,713	56,713
<b>Net cash inflow / (outflow) from financing activities</b>	<u>56,713</u>	<u>56,713</u>
Net Increase / (decrease) in cash and cash equivalents	(3,689)	4,960
Cash & bank balances at the beginning of the year	11,877	6,917
<b>Cash and cash equivalents at the end of the year</b>	<u><u>8,188</u></u>	<u><u>11,877</u></u>
Represented By:		
<b>Cash and cash equivalents(Note No. 6)</b>	<u><u>8,188</u></u>	<u><u>11,877</u></u>

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

The report of the independent auditor is set out on page 1 & 2.



**MINAL INTERNATIONAL FZE**  
**SAIF ZONE, SHARJAH, U.A.E**

**Notes to the Financial Statements for the year ended March 31, 2021**

**1. LEGAL STATUS & BUSINESS ACTIVITIES**

- a) **Minal International FZE**, (“the Establishment”) was registered with Sharjah Airport International Free Zone, Sharjah, U.A.E. (Commercial License No.07827) as a Free Zone Establishment with limited liability on February 11, 2010. However, the renewal of the license is under review.
- b) The main activity of the Establishment is trading in gold, silver, diamond & related jewellery.
- c) The management and control of the Establishment are vested with the Manager of the establishment.
- d) The registered office address of the Establishment is P.O. Box. 122691, Sharjah Airport International Free Zone, Sharjah, U.A.E.

**2. SHARE CAPITAL**

Authorised, issued and paid up capital of the Establishment is AED 150,000 divided into 1 share of AED 150,000 each fully paid and held by the sole shareholder as follows:

Sl No.	Name of the Shareholder	No. of Shares	Value (AED)	Shareholding %
1.	M/s. Minal Industries Limited (India)	1	150,000	100
		<b>1</b>	<b>150,000</b>	<b>100</b>

The Establishment is fully owned by Minal Industries Limited (India).

**3. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are prepared under the historical cost convention, and in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB). The significant accounting policies adopted, and those have been consistently applied, are as follows:

**3.1 Property, plant and equipment**

The Establishment does not possess any property, plant and equipment as on balance sheet date.

**3.2 Staff end-of-service benefits**

No provision for gratuity has been made and same shall be accounted on cash basis.

**3.3 Revenue Recognition**

The Establishment has not earned any revenue during the year.





### **3.4 Going Concern basis of accounting**

We draw attention to the fact that the Establishment has negative net worth during the year ended March 2021, and as of that date, the net equity of the Establishment was AED 204,756/- in Deficit. However, the Establishment continues to be funded by its parent company to meet its liabilities as and when they fall due.

### **3.5 Foreign Currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the balance sheet date.

Gains or losses resulting from foreign currency transactions are taken to the income statement.

### **3.6 Trade Receivables**

All the receivables are considered good and they are recoverable, necessary provisions are made for doubtful debts as and when they arise. During the year management has transferred AED 1,424,390 to bad debts as they are not recoverable. All trade receivables are subject to confirmation in the absence of independent confirmation from them.

### **3.7 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash, bank current accounts, and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit.

### **3.8 Financial Instruments**

Financial assets and financial liabilities are recognized when, and only when, the Establishment becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

Current and non-current financial assets that have fixed or determinable payments and for which there is no active market, which comprise cash and bank balances and loans and advances and stated at cost or, if the impact is material, at amortised cost using the effective interest method, less any write down for impairment losses plus reversals of impairment losses. Impairment losses and reversals thereof are recognized in the income statement.

Current and non-current financial liabilities, which comprise current and non-current bank borrowings, trade and other payables and shareholders' current accounts, are measured at cost or, if the impact is material, at amortised cost using the effective interest method.



### 3.9 Significant judgments and key assumptions

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

#### *Impairment*

At each balance sheet date, management conducts an assessment of property, plant, equipment and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to the income statement or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

Key assumptions made concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

#### *Doubtful Debt Provisions*

Management regularly undertakes a review of the amounts of trade receivables, loans and advances owed to the Establishment from third parties (note 4) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of Provisions required.

#### *Impairment*

Assessments of net recoverable amounts of property, plant, equipment and all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

### 3.10 Operating Segments

The Group has one business segment viz. “Gems and Jewellery” which is being considered as the Primary Segment.



**MINAL INTERNATIONAL FZE**  
**SAIF ZONE, SHARJAH, U.A.E**

Notes related to the financial statements (continued) for the year ended March 31, 2021

	31-03-2021	31-03-2020
	AED	AED
<b>4 TRADE RECEIVABLES</b>		
Sundry debtors	1,537,010	1,577,010
	<u>1,537,010</u>	<u>1,577,010</u>
<b>AGEING ANALYSIS</b>		
Due for more than one year	1,537,010	1,577,010
	<u>1,537,010</u>	<u>1,577,010</u>
<b>5 OTHER RECEIVABLES</b>		
Deposits	11,284	11,284
	<u>11,284</u>	<u>11,284</u>
<b>6 CASH AND CASH EQUIVALENTS</b>		
Cash in hand	8,188	11,877
	<u>8,188</u>	<u>11,877</u>
<b>7 OTHER PAYABLES</b>		
Audit fees payable	2,625	2,500
Accruals	28,685	25,660
Unsecured loan	34,985	34,985
	<u>66,295</u>	<u>63,145</u>
<b>8 UNSECURED LOAN</b>		
From holding companies	1,694,943	1,638,230
	<u>1,694,943</u>	<u>1,638,230</u>
<b>9 RETAINED EARNINGS</b>		
Opening balance	(251,204)	(149,291)
Net Profit/(Loss) for the year	(103,552)	(101,913)
Balance - end of the year	<u>(354,756)</u>	<u>(251,204)</u>
<b>10 GENERAL &amp; ADMINISTRATIVE EXPENSES</b>		
General & Office expenses	15,520	17,040
Legal & License charges	28,694	25,660
Audit fees	2,625	2,500
	<u>46,839</u>	<u>45,200</u>
<b>11 FINANCE CHARGES</b>		
Interest on loan	56,713	56,713
	<u>56,713</u>	<u>56,713</u>
<b>12 RELATED PARTY DISCLOSURE</b>		

The Establishment enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business.

Related parties comprise companies under common ownership and/or common management control / shareholders and directors.



	31-03-2021	31-03-2020
	AED	AED
At the balance sheet date, due to related party was as follows:		
<b>Due to related party</b>		
M/s. Minal Industries Limited (India)	1,694,943	1,638,230
	<u>1,694,943</u>	<u>1,638,230</u>
The nature of significant related party transactions and the amounts involved were as follows:		
Loan from M/s. Minal Industries Limited (India)	1,134,269	1,134,269
Interest on loan	560,674	503,961
	<u>1,694,943</u>	<u>1,638,230</u>

### 13 CONTINGENT LIABILITY

Except for the ongoing business commitments in the normal course of business, there is no other known contingent liabilities or capital commitments on the Establishment as on the balance sheet date.

### 14 FINANCIAL INSTRUMENTS

Financial instruments of the company comprises of cash balances, trade receivables, and other payables.

#### Risk Management

##### Credit risk

The financial assets that potentially expose the Establishment to credit risk comprise principally of trade receivables and bank accounts.

The establishment's bank accounts are placed with high credit quality financial institutions.

##### Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirhams.

##### Interest Rate Risk

The company's term loan are at fixed rate of interest generally prevailing in the United Arab Emirate

15 All the figures are expressed in AED and Fils have been rounded off to the nearest AED.

### 16 COMPARATIVE AMOUNTS

Figures of the previous year are regrouped/ reclassified wherever necessary to conform the current year's presentation.

Approved by the management on June 17, 2021

For MINAL INTERNATIONAL FZE

Manager

