

**Lypsa Gems & Jewellery DMCC
Financial Statements and Auditor's Report
For The Year Ended March 31, 2022
Dubai - U.A.E.**



Lypsa Gems & Jewellery DMCC
Financial Statements and Auditor's Report
For The Year Ended March 31, 2022
Dubai – U.A.E.

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Lypsa Gems & Jewellery DMCC
Dubai - U.A.E.

General information

Principal office address

Unit No. 473
DMCC Business Centre
Level No. 1
Jewellery & Gemplex 3
Dubai
United Arab Emirates

General Manager

Mr. Nishit Jayendra Parekh

Shareholders

M/s. Lypsa Gems & Jewellery Limited

Auditor

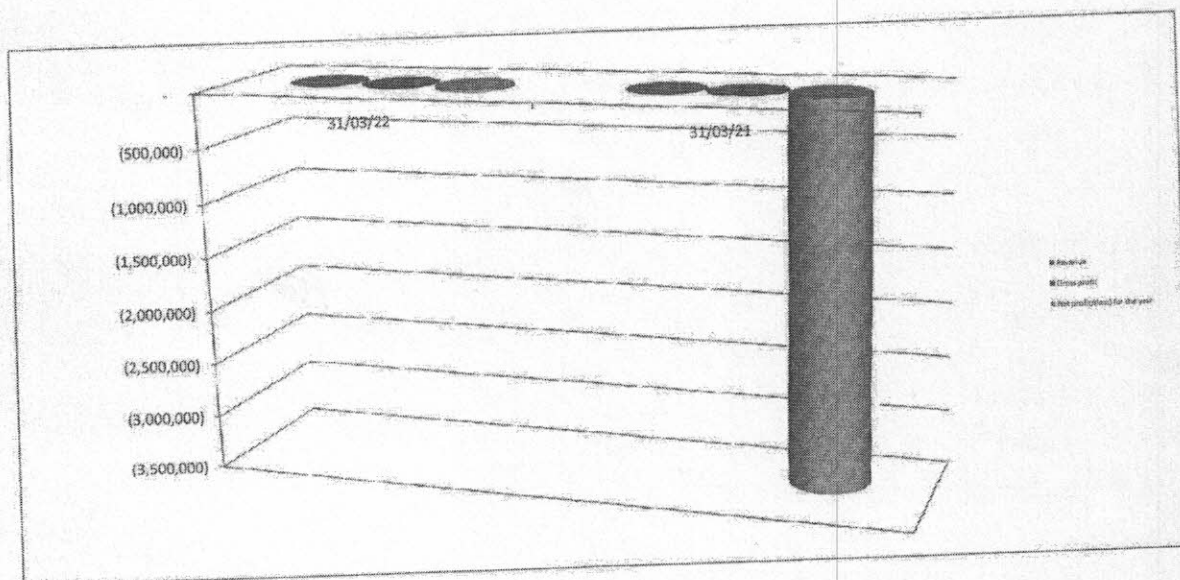
H A M Auditing
United Arab Emirates
Tel: +971 4 297 30 60
Fax: +971 4 297 30 71
Pox: 64021, Dubai - UAE



Lypsa Gems & Jewellery DMCC
Dubai - U.A.E.

Performance Analysis:

| | 31/03/2022 USD | 31/03/2021 USD |
|--------------------------------|-------------------|-------------------|
| Revenue | - | - |
| Gross profit | (20,965) | (3,441,191) |
| Net profit/(loss) for the year | | |



Result:

Lypsa Gems & Jewellery DMCC has incurred a net loss of USD 20,965/- during the year ended March 31, 2022.



Managing Director's Report

The Managing Director has pleasure in submitting his report and the audited financial statements for the year ended March 31, 2022.

Review of business

Lypsa Gems & Jewellery DMCC's principal activities during the year were pearls & precious stones trading and jewellery trading.

Financial review:

Income statement

Lypsa Gems & Jewellery DMCC's revenue performance has not met budget expectations having achieved a revenue of USD 0 /- for the year ended March 31, 2022. Lypsa Gems & Jewellery DMCC has incurred a net loss of USD 20,965/-.

The table below summarizes results of 2022 & 2021.

| | <u>31/03/2022</u> | <u>31/03/2021</u> |
|--------------------------------|-------------------|-------------------|
| | USD | USD |
| Revenue | - | - |
| Cost of revenue | - | - |
| Gross profit | - | - |
| Net profit/(loss) for the year | (20,965) | (3,441,191) |

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 shareholders 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.



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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 Lypsa Gems & Jewellery 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.


Managing Director
30-May-22





اتش ايه ام لتدقيق الحسابات HAM AUDITING

Independent Auditor's Report

To: Lypsa Gems & Jewellery DMCC
Dubai: 30/05/2022

Report on the financial statements:-

We have audited the accompanying financial statements of Lypsa Gems & Jewellery DMCC which comprise the statement of financial position as at March 31, 2022 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.

Basis for Qualified Opinion:-

We didn't receive supporting documents for the followings Trade receivable & Trade payable & Advance from customer and advance to supplier.

Qualified Opinion:-

Except the qualified opinion, in our opinion, the financial statement present fairly, in all material respects, the financial position of the company as at March 31, 2022 and its financial performance in accordance with international financial report 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 Lypsa Gems & Jewellery DMCC and of the net profit or loss for that period and to comply with the applicable provisions of the Articles of Association of Lypsa Gems & Jewellery DMCC and the DMCC regulation law of 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



اتش ايه ام لتدقيق الحسابات HAM AUDITING

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

Lypsa Gems & Jewellery DMCC
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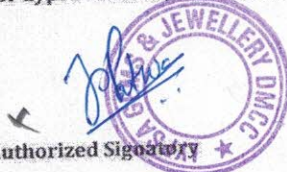
Statement of Financial Position
As at March 31, 2022

| | Notes | 31/03/2022 USD | 31/03/2021 USD |
|---------------------------------------|-------|-------------------|-------------------|
| Assets | | | |
| Current assets: | | | |
| Trade receivables | 4 | 26,121,301 | 26,121,301 |
| Other current assets | 5 | 49,280 | 49,280 |
| Cash and cash equivalents | 6 | 2,477 | 6,219 |
| Total current assets: | | 26,173,058 | 26,176,800 |
| Total assets | | 26,173,058 | 26,176,800 |
| Equity & liabilities | | | |
| Share Capital | 7 | 13,620 | 13,620 |
| Retained earnings/(losses) | 8 | 9,274,235 | 9,295,200 |
| Owner's current account | 9 | 380 | 380 |
| Total equity | | 9,288,235 | 9,309,200 |
| Current liabilities: | | | |
| Trade payables | 10 | 16,191,573 | 16,190,323 |
| Accruals & Other payables | 11 | 693,250 | 677,277 |
| Total current liabilities: | | 16,884,823 | 16,867,600 |
| Total liabilities | | 16,884,823 | 16,867,600 |
| Total equity & liabilities | | 26,173,058 | 26,176,800 |

The accompanying notes on pages 11 to 14 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 the Manager on May 30, 2022 and signed on its behalf by:

For Lypsa Gems & Jewellery DMCC


Authorized Signatory



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Statement of Profit or Loss
For The Year Ended March 31, 2022

| | Notes | 31/03/2022 USD | 31/03/2021 USD |
|---------------------------------------|-------|-------------------|--------------------|
| Revenue | | - | - |
| Cost of revenue | | - | - |
| Gross profit | | - | - |
| Operating expenses | | | |
| Administration and selling expenses | 12 | (20,965) | (3,441,191) |
| | | <u>(20,965)</u> | <u>(3,441,191)</u> |
| Net profit/(loss) for the year | | <u>(20,965)</u> | <u>(3,441,191)</u> |

The accompanying notes on pages 11 to 14 form an integral part of these financial statements.
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For Lypsa Gems & Jewellery DMCC


Authorized Signatory



Lypsa Gems & Jewellery DMCC
Dubai – U.A.E.

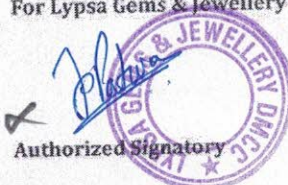
Statement of Cash Flows
For The Year Ended March 31, 2022

| | 31/03/2022 | 31/03/2021 |
|--|----------------|--------------|
| | USD | USD |
| Cash flows from operating activities | | |
| Net profit/(loss) for the year | (20,965) | (3,441,191) |
| Adjustments for: | | |
| Operating cash flow before changes in net operating assets | (20,965) | (3,441,191) |
| (Increase) / Decrease in Current Assets | | |
| Trade receivable | - | 2,771,528 |
| Other current assets | - | (463) |
| Increase / (Decrease) in Current Liabilities | | |
| Trade payables | 1,250 | 3,680 |
| Accruals & Other payables | 15,973 | 666,446 |
| Net cash flow from operating activities | (3,742) | - |
| Cash flows from investing activities | | |
| Commodities investments | - | - |
| Net cash flow used in investing activities | - | - |
| Cash flows from financing activities | | |
| Net movements in current account | - | - |
| Net cash flow used in financing activities | - | - |
| Net increase in cash and cash equivalents | (3,742) | - |
| Cash and cash equivalents at beginning of the year | 6,219 | 6,219 |
| Cash and cash equivalents at end of the year | 2,477 | 6,219 |

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For Lypsa Gems & Jewellery DMCC


Authorized Signatory



Lypsa Gems & Jewellery DMCC
Dubai - U.A.E.

Statement of Changes in Equity
For The Year Ended March 31, 2022

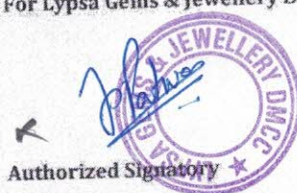
| | Share capital USD | Retained earnings /(losses) USD | Owner's current account USD | Total USD |
|----------------------------------|-------------------------|--|--------------------------------------|--------------|
| Beginning Balance | 13,620 | 12,736,391 | 380 | 12,750,391 |
| Net profit/(loss) for the year | - | (3,441,191) | - | (3,441,191) |
| Net movements in current account | - | - | - | - |
| At March 31, 2021 | 13,620 | 9,295,200 | 380 | 9,309,200 |
| Net profit/(loss) for the year | - | (20,965) | - | (20,965) |
| Net movements in current account | - | - | - | - |
| At March 31, 2022 | 13,620 | 9,274,235 | 380 | 9,288,235 |

The accompanying notes on pages 11 to 14 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 the Manager on May 30, 2022 and signed on its behalf by:

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Lypsa Gems & Jewellery DMCC
Dubai - U.A.E.

Notes to the Financial Statements
For The Year Ended March 31, 2022

1 Legal status and activities

- 1.1 Lypsa Gems & Jewellery DMCC is registered in Dubai Multi Commodities Centre - Government of Dubai as per trading license No. DMCC-32689 which was issued at 30/12/2012, the company didn't renewed the trade license which expired on 29-12-2020.
- 1.2 Lypsa Gems & Jewellery DMCC is controlled and managed by Mr. Nishit Jayendra Parekh.
- 1.3 License activities are pearls & precious stones trading and jewellery trading.

2 Owner

- 2.1 The shareholding of Lypsa Gems & Jewellery DMCC is as follows:

| Name | No. of shares | Total value USD | % Percentage |
|-------------------------------------|---------------|-----------------|--------------|
| M/s. Lypsa Gems & Jewellery Limited | 50 | 13,620 | 100% |
| | 50 | 13,620 | 100% |

- 2.2 The authorized and paid up share capital of the company is USD 50,000/- divided into 50 shares of USD 1,000/- each
Converted @ USD 3.67/USD 1.

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 USD.

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.



Lypsa Gems & Jewellery DMCC
Dubai – U.A.E.

f) Foreign currency transactions

Foreign currency transactions are recorded in USD 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.

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 Lower of cost and NRV.

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 accrued basis.

4 Trade receivables

Trade receivables

Total

5 Other current assets

Deposits & Advances

Advance to supplier

VAT receivables

Total

| 31/03/2022 | 31/03/2021 |
|-------------------|-------------------|
| USD | USD |
| 26,121,301 | 26,121,301 |
| 26,121,301 | 26,121,301 |
| 272 | 48,468 |
| 48,196 | - |
| 812 | 812 |
| 49,280 | |



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| | 31/03/2022 | 31/03/2021 |
|---|-------------------|-------------------|
| | USD | USD |
| 6 Cash and cash equivalents | | |
| Cash in hand | 863 | 863 |
| Cash at bank | 1,614 | 5,356 |
| Total | 2,477 | 6,219 |
| 7 Share Capital | | |
| The Owner of Lypsa Gems & Jewellery DMCC as at reporting date are as follows: | | |
| Name of the shareholder | 31/03/2022 | 31/03/2021 |
| M/s. Lypsa Gems & Jewellery Limited | 100% | 100% |
| | 13,620 | 13,620 |
| Total | 100% | 100% |
| | 13,620 | 13,620 |
| 8 Retained earnings/(losses) | | |
| Balance at the beginning of the year | 9,295,200 | 12,736,391 |
| Net profit/(loss) for the year | (20,965) | (3,441,191) |
| Total | 9,274,235 | 9,295,200 |
| 9 Owner's current account | | |
| Balance at the beginning of the year | 380 | 380 |
| Net movements during the year | - | - |
| Total | 380 | 380 |
| 10 Trade payables | | |
| Trade payables | 16,191,573 | 16,190,323 |
| Total | 16,191,573 | 16,190,323 |
| 11 Accruals & Other payables | | |
| Other payables | - | 677,277 |
| Advance from customer | 639,674 | - |
| Expenses payable | 53,576 | - |
| Total | 693,250 | 677,277 |
| 12 Administration and selling expenses | | |
| License, Legal, Visas & Professional fees | - | 7,461 |
| Rent | - | 4,527 |
| Management remuneration | 13,500 | 18,000 |
| Bad debts | - | 3,411,201 |
| Other expenses | 7,465 | 2 |
| Total | 20,965 | 3,441,191 |



Lypsa Gems & Jewellery DMCC
Dubai - U.A.E.

13 Fair value of financial instruments

Lypsa Gems & Jewellery 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 Lypsa Gems & Jewellery DMCC's financial instruments is not materially different from the carrying value at March 31, 2022.

14 Interest rate risk

Significant financial instruments, other assets and other liabilities of Lypsa Gems & Jewellery DMCC as at March 31, 2022 are not interest based.

15 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 U.S.D. Dollars, Lypsa Gems & Jewellery DMCC is not exposed to a significant exchange rate risk.

16 Comparative figures

Previous year's figures have been reclassified/ regrouped wherever necessary to conform to the presentation adopted in these financial statements. Figures of Lypsa Gems & Jewellery DMCC have been rounded off to nearest USD 1/-.

The accompanying notes on pages 11 to 14 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 the Manager on May 30, 2022 and signed on its behalf by:

For Lypsa Gems & Jewellery DMCC

Authorized Signatory

