

Shyam Metals International DMCC

Dubai, United Arab Emirates

Financial Statements

For the year ended 31 March 2024

Shyam Metals International DMCC
Dubai, United Arab Emirates

Financial Statements
for the year ended 31 March 2024

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Shyam Metalics International DMCC
Dubai, United Arab Emirates
Directors Report

The Directors have pleasure in presenting their report and the audited financial statements for the year ended 31 March 2024.

Principal Activities:

The principal activities of the company are Steel and Basic Steel Products Trading, Coal and Firewood Trading, Metal Ores Trading, Basic Non Ferrous Metal Products Trading.

Business Operations Review and Future Business Developments:

Throughout the year, the Company occurred a loss of AED 94,538 compared to AED 70,061 of loss during the period 17th August 2022 to 31st March 2023. The company has strategic plans for the development of its business. The Directors are optimistic about the business prospects and expect the performance of the Company to grow and improve and achieve profitability in line with the business plan.

Shareholders:

The authorized, issued and paid up capital of the Company is AED 450,000 divided into 450 shares of AED 1,000 each. List of Shareholder, who served throughout the year and his interest in the share capital of the Company as of 31 March 2024 was as follows:

Name of Shareholder	Domicile	No. of shares	2024 AED
Shyam Sel and Power Limited	India	450	<u>450,000</u>

Risk Management and Internal Control Systems:

The Company is committed to the ongoing 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 Company's risk management framework identifies, assesses, manages and reports risks on a consistent and reliable basis. The Directors consider primary risk areas to be credit risk, market risk (interest rate, foreign exchange), liquidity risk and operation risk. The other risk areas include human resource risks, technology risks and regulatory risks.

The Management recognizes their responsibility to ensure 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 turns helps in initiating action, to mitigate risks to the extent feasible.



Going Concern:

The attached financial statements have been prepared on the going concern basis. While preparing the financial statements, the management has made an assessment of the Company's ability to continue as a going concern. The Management has not come across any evidence that causes the Management to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Company's ability to continue as a going concern.

Corporate Tax:

On 9 December 2022, the UAE Ministry of Finance issued Federal Decree-Law No. (47) of 2022, which introduces a corporate tax at a rate of 9% on taxable income exceeding AED 375,000. However, qualifying free zone companies on their qualifying income will be subject to 0% tax, provided they meet certain conditions.

This new tax regime will be effective for financial years commencing on or after 1 June 2023. For the financial year 31 March 2024, there will be no impact on the Company's financial statements. The Management will assess the implications of this Federal Corporate Tax for the Company in due course.

Events After Year End:

In the opinion of the Directors, no transaction or event of a material and unusual nature, favorable or unfavorable has arisen in the from the end of the financial year to the date of this report, which is likely to affect, substantially the result of the operations or the financial position of the Company.

Auditors:

The Auditors M/s. RNG Auditors, Dubai, United Arab Emirates are willing to continue in office and a resolution to reappoint them will be proposed in the Annual General Meeting.

Statements of Directors Responsibility:

Company law requires the Directors to prepare the financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of the net profit or loss for the financial year.

The audited financial statements for the year under review, have been prepared in conformity and in compliance with the requirements of the International Financial Reporting Standards (IFRS), relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that discloses with reasonable accuracy at any time, the financial position of the Company and enables them to ensure that the financial statements comply with the requirements of applicable statute.



Statements of Directors Responsibility (Continued)

The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably presents the Company's financial conditions and results of its operations.

For Shyam Metals International DMCC

Ajay Kumar Gupta

Ajay Kumar Gupta
Director

Place: Dubai, U.A.E.

Date: 13 May 2024





**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS' OF
SHYAM METALICS INTERNATIONAL DMCC**

Report on the Audit of the Financial Statements

We have audited the financial statements of Shyam Metalics International DMCC ("the Company"), which comprise the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statement, comprising significant accounting policies and other explanatory information.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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 (ISA). 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.

Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants Code of Ethics for Professional Accountant (the "IESBA code") together with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

Without qualifying our report, we draw attention to the fact that the Company had accumulated losses amounted to AED 164,599/-. The conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, these financial statements have been prepared on a going concern basis as the shareholders have agreed to provide necessary financial support to enable the Company to continue its operation and settle its obligation as and when they fall due.



Responsibilities of Management and those charged with governance for preparation of the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Company's Memorandum and Articles of Association 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.

Auditors' 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 auditors' 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We are 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 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 Company's internal control.



Auditors' Responsibilities for the Audit of the Financial statements (continued)

- 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 doubts on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to 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 event or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements.

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

Report on other legal and regulatory requirements

As per new regulations of DMCCA issued on 2 January 2020, the activities undertaken by Company are not different than activities permitted under license issued by DMCCA.

RNG

RNG Auditors
Registration No. 886

Place: Dubai, UAE
Date: 13 May 2024



Shyam Metals International DMCC

Dubai, United Arab Emirates

Statement of Financial Position

as at 31 March 2024

	Note	2024 AED	2023 AED
ASSETS			
Non-Current assets:			
Amount due from Related Parties	8	262,369	290,150
Total Non-Current Assets		262,369	290,150
Current assets:			
Other receivables and prepayments	9	52,185	100,321
Total Current Assets		52,185	100,321
Total Assets		314,554	390,471
EQUITY AND LIABILITIES			
Equity:			
Share capital	10	450,000	450,000
Accumulated losses		(164,599)	(70,061)
Total Equity		285,401	(379,939)
Current liabilities:			
Other payable	11	6,082	6,332
Provisions and accruals	12	23,071	4,200
Total current liabilities		29,153	10,532
Total Liabilities		29,153	10,532
Total Equity and Liabilities		314,554	390,471

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

These financial statements were approved by the Board of Directors on 13 May 2024 and signed on their behalf by:

Ajay Kumar Gupta

Ajay Kumar Gupta
Director



The independent auditors' report is set out on pages 4 to 6.

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Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2024

	Note	From 01 Apr 2023 to 31 Mar 2024	From 17 Aug 2022 to 31 Mar 2023
		AED	AED
Revenue		-	-
Cost of revenue		-	-
Gross (loss)		-	-
Other Income		-	-
General and Administration expenses	13	(94,538)	(70,061)
(Loss) for the year/ period		(94,538)	(70,061)
Other comprehensive income		-	-
Total comprehensive (loss) for the year/ period		(94,538)	(70,061)

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

These financial statements were approved by the Board of Directors on 13 May 2024 and signed on their behalf by:

Ajay Kumar Gupta

Ajay Kumar Gupta
Director



The independent auditors' report is set out on pages 4 to 6.

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Statement of Changes in Equity
for the year ended 31 March 2024

	Share Capital AED	Accumulated losses AED	Total AED
Capital Introduced during the period	450,000	-	450,000
(Loss) for the period	-	(70,061)	(70,061)
At 31 March 2023	<u>450,000</u>	<u>(70,061)</u>	<u>379,939</u>
At 01 April 2023	450,000	(70,061)	379,939
(Loss) for the year	-	(94,538)	(94,538)
At 31 March 2024	<u>450,000</u>	<u>(164,599)</u>	<u>285,401</u>

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

The independent auditors' report is set out on pages 4 to 6.



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Statement of Cash Flows
for the year ended 31 March 2024

	2024 AED	2023 AED
Cash flows from operating activities:		
(Loss) for the year/ period	(94,538)	(70,061)
Adjustments for noncash items:		
Provisions	18,871	4,200
	-	-
Operating loss before changes in working capital	<u>(75,667)</u>	<u>(65,861)</u>
Net movement in other receivables and prepayments	48,136	(95,897)
Net movement in other payables	(250)	6,332
Net movement in due to related parties	27,781	(290,150)
Net cash flow from operating activities	<u>-</u>	<u>(450,000)</u>
Cash flows from investing activities		
Additions to property, plant and equipment	-	-
Net cash flow from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities:		
Capital Introduced	-	450,000
Net cash flow from financing activities	<u>-</u>	<u>450,000</u>
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year/ period	-	-
Cash and cash equivalents at end of the year/ period	<u>-</u>	<u>-</u>

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

The independent auditors' report is set out on pages 4 to 6.



Shyam Metals International DMCC
Dubai, United Arab Emirates

Notes to the Financial Statements
for the year ended 31 March 2024

1. Legal status and principal activities

Shyam Metals International DMCC, ("the Company") was incorporated on 17 August 2022 under trading license number DMCC-856495 as a DMCC Company and operates in the United Arab Emirates under the license issued by the Dubai Multi Commodities Centre Authority, Dubai, United Arab Emirates (UAE).

The principal activities of the company are Steel and Basic Steel Products Trading, Coal and Firewood Trading, Metal ores Trading, Basic Non Ferrous Metal products Trading.

The registered office of the Company is located at Unit No. 9 DMCC Business Centre Level No 5, Jewellery & Gemplex 2, Dubai, United Arab Emirates.

The management and control of the company is vested with Mr. Ajay Kumar Gupta.

2. Application of new and revised Standards

2.1 New and amended IFRS Accounting Standards that are effective for the current period

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 April 2024, have been adopted in these financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IFRS 17: amendments to address concerns and implementation challenges that were identified after IFRS 17 was published.
- Amendments to IAS 12: amendments regarding deferred Tax related to assets and liabilities arising from a single transaction.
- Amendments to IAS 1 and IFRS Practice Statement 2: amendments regarding the disclosure of accounting policies.
- Amendments to IAS 8: amendments regarding the definition of accounting estimates.
- Amendments to IAS 12: amendments to provide temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.



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Notes to the Financial Statements
for the year ended 31 March 2024

2. Application of new and revised Standards (continued)

2.2 New and revised IFRS Accounting Standards in issue but not yet effective and not early adopted

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information.
- IFRS S2: Climate-related Disclosures.
- Amendments to IAS 1: amendments regarding the classification of liabilities.
- Amendments to IAS 1: amendments regarding the classification of debts with covenants.
- Amendments to IAS 1: amendments to defer the effective date of January 2020 amendments.
- Amendments to IFRS 7 and IAS 7: amendments regarding supplier finance arrangements.
- Amendments to IFRS 16: amendments to clarify how a seller-lessee subsequently measures sales and leaseback transactions.

The Company anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of Company in the period of initial application.

3. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and as per the requirements of the applicable laws of the UAE.

Basis of measurement

The financial statements have been prepared under historical cost convention except for the followings:

- Derivative financial instruments are measured at fair value and
- Financial assets at fair value through other comprehensive income

The accounting policies have been consistently applied throughout the year and remain unchanged from the previous year unless specified separately.



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Notes to the Financial Statements
for the year ended 31 March 2024

3. Basis of preparation (continued)

Going Concern

The Company had accumulated losses at 31 March 2024 amounting to AED 164,599/- which raises doubt on the continuation of the Company as a going concern. However, the Shareholders of the Company have undertaken to provide and arrange for the necessary financial support to enable the Company to meet its obligations as they fall due in the foreseeable future. In view of the undertaking of financial support by the Shareholders, these financial statements are prepared on a going concern basis.

Functional and presentation currency

These financial statements are presented in AED, which is the functional currency of the Company.

Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that may have a material effect on the amounts recognized in the financial statements are described as a separate note subsequently. The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:



3. Basis of preparation (continued)

Depreciation on property, plant and equipment

Management assigns useful lives and residual value of property, plant and equipment based on the intended use and the economic lives of those assets. Subsequent changes in circumstances could result in the actual useful lives or residual values differing from initial estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book value in excess of the residual value is depreciated over the revised remaining useful life.

Impairment of assets

Assessment of net recoverable amounts of property, plant and equipment and all financial assets other than trade receivables are based on higher of fair value less cost to sale and value in use. Value in use calculation is based on the assumptions regarding future cash flows expected to be received from the related assets.

Impairment of trade receivables

The Management regularly undertakes a review of the recovery status of amounts due from either third parties or related parties. Such review is made based on variety of factors, including the overall quality and ageing of the receivables, continuing credit evaluation of the related party's financial conditions and collateral requirements. Based on the review, assumptions are made regarding the extent of impairment allowance required.

4. Summary of material accounting policy information

The Company has consistently applied the accounting policies as provided below to all periods presented in these financial statements, except as stated otherwise.

a. Financial instruments

Financial assets and financial liabilities are initially recognized in the financial statements when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.



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Notes to the Financial Statements

for the year ended 31 March 2024

4. Summary of material accounting policy information (continued)

Financial assets

All regular way purchase or sale of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either at amortized cost or fair value, depending on the classification of the financial assets.

Subsequent measurement

The Company's financial assets comprise of cash and bank balances, current and other receivables and amounts due from related parties, which are measured at amortized cost. The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayment, plus the cumulative amortization using the effective interest rate method of any difference between that initial amount and the maturity amount, adjusted for any impairment allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any impairment loss allowance. Interest income, foreign exchange gains or losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing the financial assets. The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the Management.

Effective Interest Rate Method

The effective interest rate method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transactions costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.



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Notes to the Financial Statements

for the year ended 31 March 2024

4. Summary of material accounting policy information (continued)

a. Financial instruments (continued)

Effective Interest Rate Method (continued)

For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

Impairment of financial assets (including receivables)

IFRS 9: Financial Instruments requires to follows an Expected Credit Loss ("ECL") model for the impairment of financial assets. The ECL model requires the Company to account for expected credit losses and changes to those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

Expected losses shall be measured and provided either at an amount equal to (a) 12 month expected losses; or (b) life time expected losses. If the credit risk of the financial instrument has not increased significantly since inception, then an amount equal to 12 month expected credit loss is provided. In other cases, life time credit losses shall be provided. For trade receivables without a significant financing component a simplified approach is available, whereby an assessment of increase in credit risk need not be performed at each reporting date. Instead, a Company can choose to provide for expected losses based on lifetime expected losses.

The Company makes use of simplified approach for accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfall in contractual cash flows, considering the potential for default at any point during the life of the financial instruments. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Company assesses impairment of trade receivables on a collective basis as they possess shared risk characteristics, they have been grouped based on the number of days past due.

Write off

The Company writes off a financial asset when there is information indicating that the debtors is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceeding. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.



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Notes to the Financial Statements

for the year ended 31 March 2024

4. Summary of material accounting policy information (continued)

a. Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the asset of the Company after deducting all of its liabilities.

Financial liabilities - Classification, subsequent measurement and gains or losses

Financial liabilities are classified as measured at amortized cost or fair value through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is contingent consideration of an acquirer in a business combination or classified as held for trading, or it is a derivative or it is designated as at FVTPL on initial recognition. Financial liabilities at amortized cost are initially measured at fair value and subsequently measured at amortized cost using effective interest rate method. Interest expenses and foreign exchange gain and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss to the extent that they are part of a designated hedging relationship.

Financial liabilities - Classification, subsequent measurement and gains or losses (continued)

Significant financial liabilities of the Company include other payables and accruals which are initially measured at fair value and subsequent at amortized cost using the effective interest method.



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Notes to the Financial Statements

for the year ended 31 March 2024

4. Summary of material accounting policy information (continued)

a. Financial instruments (continued)

De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfer the rights to financial assets and substantially all the risks and rewards of ownership of the financial assets to another Company or in which the Company neither transfer nor retains substantially all of the risks and rewards of ownership, and does not retain control of the financial assets.

If the Company neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred assets, the Company recognizes it's retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on de-recognition of an interest in a debt instrument classified as fair value through other comprehensive income ("FVTOCI") the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on de-recognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

De-recognition of financial liabilities

The Company de-recognizes financial liabilities when and only when its contractual obligations are discharged or cancelled or have expired. The difference between the carrying amount of a financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

The Company also derecognizes financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value.



4. Summary of material accounting policy information (continued)

a. Financial instruments (continued)

De-recognition of financial liabilities (continued)

It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms including any fees paid net of any fees received and discounted using the original effective interest rate is at least ten percent different from the discounted present value of the remaining cash flows of the original financial liability. The difference between the carrying amounts of the financial liability extinguishes and the new financial liability with modified terms is recognized in the profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when and only when the Company:

- currently has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis or to realize the asset and settle the liabilities simultaneously.

Income and expenses are not offset in profit or loss unless required or permitted by IFRS.

b. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items including installation costs. Subsequent costs are included in the assets' carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed at the end of the reporting period, with the effect of any changes in estimates adjusted on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



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Notes to the Financial Statements

for the year ended 31 March 2024

4. Summary of material accounting policy information (continued)

b. Property, plant and equipment (continued)

The gains or losses arising on the disposal or retirement of an item of property, plant and equipment are determined by comparing the disposal proceeds with the carrying amount of the asset and is recognized in the profit or loss.

c. Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amount of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case, the reversal of the impairment loss is treated as a revaluation increase.

d. Provision

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to any provision is recognized in the profit or loss, net of any reimbursement.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Provisions are not recognized for future operating losses.



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4. Summary of material accounting policy information (continued)

e. Provision for employees' end of service benefits

Provision for employees' end of service benefits is made in accordance with the UAE Labor laws and is based on the current remuneration and period of service at the end of the reporting period.

Provision is made for the estimated liability for employees' entitlement to annual leave as a result of services rendered by the employees up to the end of the reporting period. The provision related to annual leave is disclosed as a current liability, while the provision relating to employees' end of service benefits is disclosed as a non-current liability.

f. Cash and cash equivalent

Cash and cash equivalents consist of cash at bank free of encumbrance with a maturity date of three months or less from the date of deposit, which are subject to insignificant risk of change in their fair value and are used by the Management for its short-term commitments.

g. Foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of outstanding amounts of such transactions are recognized in the profit or loss.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into the functional currency at the foreign exchange rate ruling at that date. Gains or losses resulting from such transactions are also recognized in the profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into the functional currency at the foreign exchange rate prevailing at the date of the initial transaction. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are re-measured at the rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in the fair value of the item.



4. Summary of material accounting policy information (continued)

h. Revenue recognition

The application of IFRS 15 – “Revenue from Contracts with Customers” requires management to apply the following accounting policy:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excluding discounts, rebates, customer returns and other sales taxes or duty e.g. VAT. The following specific recognition criteria followed before revenue is recognized.

Contract revenue and revenue from sale of goods:

The Company recognizes revenue from contracts with customers based on the five steps model as set out in IFRS-15:

Step 1 – Identify the contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 – Identify the performance obligation in the contract: A performance obligation is a promise in a contract with a customer to transfer a goods or service to the customer.

Step 3 – Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to customer, excluding amounts collected on behalf of third parties.

Step 4 – Allocate the transaction price to the performance obligation in the contract: For a contract that has more than one performance obligations, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 – Recognize revenue when (or as) the Company satisfies a performance obligation at a point in time or overtime.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:



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4. Summary of material accounting policy information (continued)

h. Revenue recognition (continued)

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhances; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The performance obligation where one of the above conditions is not met, revenue is recognized at the point in time at which the performance obligation is satisfied. The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied overtime or at a point in time in order to determine the appropriate method of recognizing revenue. As part of the impact assessment exercise, Entity has concluded that the majority of its arrangement, it is either creating or enhancing an asset controlled by the customer or it is creating an asset with no alternative use and has an enforceable right to payment for completed. Therefore, it meets the criteria to recognize revenue overtime and measure progress of its projects through the cost to complete method (input method) at it best depicts the transfer of control of products and services under each performance obligation.

When the Company satisfies a performance obligation by delivering the promised goods or service, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to contract liability.

Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excludes taxes and duty. The Company assesses its revenue arrangement against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognized in the statement of comprehensive income to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and the revenue and costs, if applicable, can be measured reliably.



4. Summary of material accounting policy information (continued)

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5. Financial risk management

Overview

The Company's activities expose it to variety of financial risk e.g., credit risk, liquidity risk, market risk and operational risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk. The Board of Directors has an overall responsibility for the Company and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and products.

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to meet its contractual obligations leading to a financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily for accounts receivables and other receivables and committed transactions) and from financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Company deals only with highly reputed local and international banks. In respect of major customers, credit risk is managed by assessing the credit quality of these major customers, taking into account their financial position, past experience and other factors including regular follow up.



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5. Financial risk management

Credit Risk (continued)

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

	2024 AED	2023 AED
Deposits	6,624	4,424
	<u>6,624</u>	<u>4,424</u>

The Company limits its credit risk with regard to cash at bank by only dealing with reputable banks. These bank balances are callable on demand. Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position.

With respect to credit risk arising from the other financial assets of the Company, including trade receivables, amount due from related parties, deposits and other receivables, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company manages the liquidity risk through risk management framework for the Company's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent to ensure funds are available to meet its commitment for liabilities as they fall due.

The schedule illustrated below analyses the Company's remaining contractual maturity for its financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the schedule are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Company may be required to pay.



5. Financial risk management

Liquidity Risk (continued)

	2024	2023
	AED	AED
Other Payables	6,082	6,332
Provisions	23,071	4,200
	<u>29,153</u>	<u>10,532</u>

Market rate risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. The Company exposure to market risk is insignificant.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's transactions are predominantly undertaken in AED or United States Dollars (USD) to which AED is currently pegged. As at the reporting date, there were no significant foreign currency denominated monetary assets and liabilities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate is limited to its interest-bearing assets and liabilities which are very insignificant.

Operational risk

Operational risk is the risk of direct or indirect loss arising from the Company's operations coming from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The Company's objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.



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6. Determination of fair values

Certain of the Company's accounting policies and disclosures require the determination of fair value of financial and non-financial assets. Fair values have been determined for measurement and / or disclosure purposes based on the prescribed methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and counterparty when appropriate. At the statement of financial position date, the fair values of financial assets and liabilities approximate their carrying amounts.

7. Capital Management

The Company's main objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Owner of the Company ensures that the Company will be able to continue as a going concern while providing maximum return to shareholders through the optimization of the debt and equity balance and to maintain an optimal capital structure to reduce the cost of the capital.

The capital structure of the Company consists of equity funds including Shareholders' current account as presented in the statement of financial position. Debts comprise total amounts due to third parties, net of cash at bank. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Capital comprises the share capital and accumulated losses and is measured at AED 285,401 as at 31 March 2024 and AED 379,939 as at 31 March 2023.

There were no changes in the Company's approach to capital management during the year.

8. Related parties' transactions

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24, International Financial Reporting Standards (IFRS). Such related parties comprise the Shareholders, key management personnel, associates, joint ventures and entities which are controlled directly or indirectly by the shareholders of the Company or over which they exercise significant influence.

The Management decides the terms and conditions of the transactions and services received from and rendered to related parties as well as other charges, if applicable. These terms correspond to those on normal arms-length transactions with third parties.



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8. Related parties' transactions (Continued)

The following balances were outstanding at the end of the reporting period:

Amount due from related parties

	2024	2023
	AED	AED
Shyam Sel and Power Limited, India	262,369	290,150

9. Other Receivable and Prepayments:

	2024	2023
	AED	AED
Prepaid License Expenses	32,086	52,351
Prepaid Director Fees	-	23,129
Prepaid Rent	13,475	20,147
Deposits	6,624	4,424
	<u>52,185</u>	<u>100,321</u>

10. Share capital

The authorized, issued and paid up capital of the Company is AED 450,000 divided into 450 shares of AED 1,000 each. List of Shareholder, who served throughout the year and his interest in the share capital of the Company as of 31 March 2024 was as follows:

	2024	2023
	AED	AED
Share capital	<u>450,000</u>	<u>450,000</u>

Detail of shareholders as at 31 March 2024 is as follow:

Name of Shareholder	Domicile	No. of shares	2024 AED
Shyam Sel and Power Limited	India	450	<u>450,000</u>



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11. Other Payables:

	2024 AED	2023 AED
Trade Payables	6,082	6,332

12. Provisions and Accruals:

	2024 AED	2023 AED
Provision for Audit Fees	8,400	4,200
Provision for Non Executive Director Fees	14,671	-
	(23,071)	(4,200)

13. Administration expenses

	From 01 Apr 2023 to 31 Mar 2024 AED	From 17 Aug 2022 to 31 Mar 2023 AED
Company Formation Expenses	-	6,175
Consultancy Fees	-	7,350
Legal and Professional Expenses	44,231	17,056
Trade License Expenses	20,265	8,444
Courier Charges	-	32
Directors Fees	-	14,671
Rent Expenses	30,042	14,583
VAT Expenses	-	1,750
	94,538	70,061



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14. Corporate Tax

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted for the purposes of accounting for Income Taxes.

The UAE CT Law shall apply to the Company with effect from 1 April 2024. The Ministry of Finance continues to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Company.

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the financial statements for the period beginning 1 April 2024. However, the related deferred tax accounting impact has been considered for the year ended 31 March 2024. Following assessment of the potential impact of the UAE CT Law on the balance sheet, the Company's management has concluded that there are no material temporary differences on which deferred taxes should be accounted.

The Company's management will continue to monitor the publication of subsequent decisions and related guidance, as well as continuing its more detailed review of its financial matters, to consider any changes to this position for the subsequent reporting dates.

15. Contingent liabilities

There were no contingent liabilities of a significant amount outstanding at the reporting date.

16. Comparative amounts

Certain figures for the previous year have been reclassified and rearranged in order to conform to the presentation for the current year. This has been done to improve the quality of information presented in the financial statements. Such reclassification and rearrangement do not affect previously reported net profit or equity.

