

EMERALD JEWELLERS DMCC
DUBAI - U.A.E
AUDITORS' REPORT & CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023



EMERALD JEWELLERS DMCC

DUBAI, UAE

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EMERALD JEWELLERS DMCC
Dubai, UAE
Ownership, Management Officers and Status

Managing Director : Mr. Srinivasan Krishnamoorthy

Legal Status : Limited Liability Company

Registered Office : Unit No. 20-09-24, Jewellery & Gemplex 2,
Plot No. DMCC-PH2-J&GPlexS,
Jewellery & Gemplex,
Dubai, UAE.

Principal Bankers : National Bank of Fujairah
Mashreq Bank

The Auditors : Maxims Auditors & Consultants
P.O.Box: 30536
Dubai, United Arab Emirates
Tel No: +971 4 2253534



EMERALD JEWELLERS DMCC

Dubai, UAE

Management Report

The management has pleasure in presenting this report together with the consolidated audited financial statements of the company for the year ended March 31, 2023.

Legal Status

The Group Consists of 2 companies with different names operating in DMCC and Dubai.

"**EMERALD JEWELLERS DMCC**" is a Limited Liability Company incorporated under the Dubai Multi Commodities Centre Authority, Dubai, United Arab Emirates under the provisions of law No. 4 of 2001 and the order dated 1 May 2001. The company was incorporated on September 7, 2009 under the Trading License No. DMCC-31242.

'**JEWEL ONE JEWELLERY LLC**' here-in-after called 'the company' incorporated on August 24, 2011 as a Single Owner Limited Liability Company operating in UAE under a Commercial License No. 658265 issued by the Dubai Economic Development Authority, Government of Dubai, UAE

Principal Activities

The Principal activities of EMERALD JEWELLERS DMCC are Non-Manufactured Precious Metal Trading & Jewellery Trading.

The Principal activities of JEWEL ONE JEWELLERY LLC are Watches & Clocks & Spare Parts Trading, Jewellery Trading, Gifts Trading, Crystal Products Trading and Non-Manufactured Precious Metal Trading.

Results of Operation

Consolidated Net Profit of the Company for the year was AED 1,006,049/-

	<i>(Amount in AED)</i>	
	<u>31-03-2023</u>	<u>31-03-2022</u>
Revenue	167,534,516	146,677,973
Gross Profit	2,281,497	2,008,033
Gross Profit (%)	1.36%	1.37%
Net Profit	1,006,049	2,379,843
Net Profit (%)	0.60%	1.62%

Risk Management

The Company is Committed to pursuing the process of identifying risk factors, closely monitoring & analyzing the risk and take decisions to mitigate the risks with the aim of ensuring continuance of business operations and growth to make value addition to the shareholder's equity. The risk management policy identifies, assesses, manages and reports risks on a continuous basis. The management consider the key risk area to be credit risk, market risk and liquidity risk.



EMERALD JEWELLERS DMCC
Dubai, UAE
Management Report (Continued.....)

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 cause significant doubts on the Company's ability to continue as a going concern.

Events after the reporting year

There were no transactions or event of a material nature after the reporting year, which is likely to affect, substantially the result of the operations or the consolidated financial position of the company.

Auditors

The independent auditors, Maxims Auditors & Consultants, Dubai, UAE have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.



EMERALD JEWELLERS DMCC

Managing Director





INDEPENDENT AUDITORS' CONSOLIDATED REPORT

TO THE SHAREHOLDER OF EMERALD JEWELLERS DMCC, DUBAI, UAE

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of **EMERALD JEWELLERS DMCC**, Dubai, UAE which comprise the consolidated statement of financial position as of March 31, 2023, the consolidated statement of profit or loss and other consolidated comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes related to the consolidated financial statements, set out on pages 6 to 22.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) and with the applicable provisions of Dubai Multi Commodities Centre Authority, law No 4 of 2001 and order dated 1st May, 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated 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.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the consolidated 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the accompanying consolidated financial statements give a fair view, in all material respects, of the consolidated financial position of **EMERALD JEWELLERS DMCC**, UAE as of March 31, 2023, and of its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Independent Auditors' Report (continued...)

Report on other legal and regulatory requirements

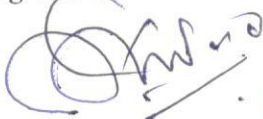
In accordance with the requirement of UAE and the Dubai Multi Commodities Centre law, we confirm that;

- i) The company has maintained proper books of accounts;
- ii) We have obtained all the information and explanations necessary for our Audit.
- iii) The information contained in the Management report relating to the financial statements are in agreement with the Company's Book of Accounts.
- iv) According to the information available to us, there were no contraventions during the year of the above mentioned law or the company's Articles of Association which might have material effect on the consolidated financial position of the company or the results of its operations for the year.

Respectfully,

Maxims Auditors & Consultants

Reg. No. 651



Authorized Signatory

Dubai, UAE

August 23, 2023



EMERALD JEWELLERS DMCC**Dubai, UAE****Consolidated Statement of Financial Position as at March 31, 2023**

		31-03-2023	31-03-2022
		AED	AED
ASSETS :	Note		
NON-CURRENT ASSETS			
Property, Plant & Equipment	8	2,079,462	2,078,992
Capital Work-In-progress	9	Nil	155,555
Investments	10	Nil	147,000
		<u>2,079,462</u>	<u>2,381,547</u>
CURRENT ASSETS			
Inventories	11	26,272,994	19,225,557
Accounts Receivables	12	17,340,386	7,374,171
Other Receivables	13	1,980,873	3,106,415
Due from Related Party	14	Nil	31,702
Cash and Bank	15	159,763	336,117
		<u>45,754,016</u>	<u>30,073,962</u>
TOTAL ASSETS		<u>47,833,478</u>	<u>32,455,509</u>
EQUITY & LIABILITIES :			
OWNERS' EQUITY			
Capital Account		7,300,000	7,600,000
Current Account	6	(10,778,349)	(10,931,180)
Accumulated Losses	17	(2,627,129)	(3,633,178)
		<u>(6,105,478)</u>	<u>(6,964,358)</u>
NON-CURRENT LIABILITIES			
Employees' Terminal benefits		70,304	70,165
Bank Borrowings	18	Nil	1,033,495
		<u>70,304</u>	<u>1,103,660</u>
CURRENT LIABILITIES			
Due to Related parties	14	47,744,694	153,828
Bank Borrowings	18	926,829	896,038
Accounts and Other Payables	19	5,197,129	37,266,341
		<u>53,868,652</u>	<u>38,316,207</u>
TOTAL EQUITY & LIABILITIES		<u>47,833,478</u>	<u>32,455,509</u>

The accompanying notes 1 to 29 form an integral part of these consolidated financial statements.

The Report of the Auditors is set out on pages 4 & 5.

These consolidated financial statements on pages 6 to 22 were approved by the Managing Director on August 23, 2023 and signed by:


EMERALD JEWELLERS DMCC

Managing Director




EMERALD JEWELLERS DMCC
Dubai, UAE
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended March 31, 2023

		31-03-2023	31-03-2022
		AED	AED
	Note		
Revenue	20	167,534,516	146,677,973
Cost of Sales	21	<u>(165,253,019)</u>	<u>(144,669,940)</u>
Gross Profit		2,281,497	2,008,033
Other Income	22	906,875	1,886,252
General & Administration Expenses	23	(1,733,282)	(1,087,305)
Financial Charges	24	(118,887)	(180,770)
Depreciation	8	<u>(330,154)</u>	<u>(246,367)</u>
Net Profit for the year		1,006,049	2,379,843
Other comprehensive Income/(Loss)		<u>Nil</u>	<u>Nil</u>
Total Comprehensive Income for the year		<u>1,006,049</u>	<u>2,379,843</u>

The accompanying notes 1 to 29 form an integral part of these consolidated financial statements.

The Report of the Auditors is set out on pages 4 & 5.

These consolidated financial statements on pages 6 to 22 were approved by the Managing Director on August 23, 2023 and signed by:


EMERALD JEWELLERS DMCC
 Managing Director

EMERALD JEWELLERS DMCC
Dubai, UAE
Consolidated Statement of Changes in Equity
For the year ended March 31, 2023

	<i>(Amount in AED)</i>			
	Share Capital	Current Account	Accumulated Losses	Total
Balance as at March 31, 2021	2,600,000	(5,931,103)	(6,013,021)	(9,344,124)
Amount received from Emerald India to Increase Share Capital	5,000,000	Nil	Nil	5,000,000
Net Movements during the year	Nil	(5,000,077)	Nil	(5,000,077)
Total comprehensive Income/(Loss) for the year	Nil	Nil	2,379,843	2,379,843
Balance as at March 31, 2022	7,600,000	(10,931,180)	(3,633,178)	(6,964,358)
Net Movement during the year	(300,000)	152831	Nil	(147,169)
Total comprehensive Income for the year	Nil	Nil	1,006,049	1,006,049
Balance as at March 31, 2023	7,300,000	(10,778,349)	(2,627,129)	(6,105,478)

The accompanying notes 1 to 29 form an integral part of these consolidated financial statements.

The Report of the Auditors is set out on pages 4 & 5.



EMERALD JEWELLERS DMCC
Dubai, UAE
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	31-03-2023 AED	31-03-2022 AED
Total Comprehensive Income/(Loss) for the year	1,006,049	2,379,843
<i>Adjustments for:</i>		
Employees' Terminal benefits	139	(61,494)
Depreciation	330,154	246,367
Operating Income/(Loss) before Working Capital Changes	1,336,342	2,564,716
(Increase)/Decrease in Inventories	(7,047,437)	(10,981,060)
(Increase)/Decrease in Accounts Receivables	(9,966,215)	524,867
(Increase)/Decrease in Other Receivables	1,125,542	(1,098,392)
(Increase)/Decrease in Due from Related party	31,702	(21,333)
Increase/(Decrease) in Accounts and Other Payables	(32,069,212)	16,987,421
Increase/(Decrease) in Due to Related parties	47,590,866	(6,808,369)
Net Cash generated from Operating Activities	1,001,588	1,167,850
Cash Flow from Investment Activities		
Purchase of Property, Plant & Equipment	(330,624)	Nil
Investment	147,000	Nil
(Increase)/Decrease in Capital Work-In-progress	155,555	(155,555)
Net Cash used in Investment Activities	(28,069)	(155,555)
Financing Activities		
Bank Borrowings	(1,002,704)	(938,922)
Net movements during the year	(147,169)	(5,000,077)
Share Capital Introduced	Nil	5,000,000
Net Cash used in Financing Activities	(1,149,873)	(938,999)
Net increase/(decrease) in cash and cash equivalents	(176,354)	73,296
Cash and cash equivalents at the beginning of the year	336,117	262,821
Cash and cash equivalents at the end of the year	159,763	336,117
<u>Cash and Cash equivalents represented by:</u>		
Cash on Hand	33,013	20,543
Cash at Bank	126,750	315,574
	159,763	336,117

The accompanying notes 1 to 29 form an integral part of these consolidated financial statements.

The Report of the Auditors is set out on pages 4 & 5.



EMERALD JEWELLERS DMCC

Dubai, UAE

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

1. Company and Operations

"EMERALD JEWELLERS DMCC" is a Limited Liability Company incorporated under the Dubai Multi Commodities Centre Authority, Dubai, United Arab Emirates under the provisions of law No. 4 of 2001 and the order dated 1 May 2001. The company was incorporated on September 7, 2009 under the Trading License No. DMCC-31242.

The registered address of the company is Unit No. 20-09-24, Jewellery & Gemplex 2, Plot No: DMCC-PH2-J&GPlexS, Jewellery & Gemplex, Dubai, UAE.

"JEWEL ONE JEWELLERY LLC" here-in-after called 'the company' incorporated on August 24, 2011 as a Single Owner Limited Liability Company operating in UAE under a Commercial License No. 658265 issued by the Dubai Economic Development Authority, Government of Dubai, UAE

The registered address of the company is Post Box: 340561, Dubai, Dubai

2. Management

The management and control of the company is vested with Mr. Srinivasan Krishnamoorthy (Indian National), the Managing Director of the Company.

3. Share Capital

The authorized, issued and paid up capital of the EMERALD JEWELLERS DMCC company is AED 7,300,000 divided into 7,300 shares of AED 1,000/- each. The details of shareholding as on the date of statement of consolidated financial position are as follows:

<u>Name of the Shareholder</u>	<u>Nationality</u>	<u>Shareholding %</u>	<u>Value of Shares (AED)</u>
a) M/s. Emerald Jewel Industry India Ltd	India	100%	7,300,000

4. Company's Activities

The Principal activities of EMERALD JEWELLERS DMCC are Non-Manufactured Precious Metal Trading & Jewellery Trading.

The Principal activities of JEWEL ONE JEWELLERY LLC are Watches & Clocks & Spare Parts Trading, Jewellery Trading, Gifts Trading, Crystal Products Trading and Non-Manufactured Precious Metal Trading.

5. Reporting period

These Consolidated financial statements cover the year from April 01, 2022 to March 31, 2023. The previous consolidated financial statements cover the year from April 01, 2021 to March 31, 2022.



EMERALD JEWELLERS DMCC

Dubai, UAE

Notes to the Consolidated Financial Statements (continued...)

For the year ended March 31, 2023

6. Summary of Significant Accounting Policies and Disclosures

a. Basis of Preparation

The consolidated financial statements have been prepared under historical cost basis. The consolidated financial statements are presented in Arab Emirate Dirhams (AED) and all values are rounded to the nearest Arab Emirate Dirham. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

b. Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

c. Adoption of new and revised International Financial Reporting Standards.

i) The following new and revised IFRSs applied with no material effect on the consolidated financial statements.

IAS 32 : Offsetting Financial Assets and Financial Liabilities

IFRS 10 : Consolidated Financial Statements (Amendments to Investment Entities).

IFRS 12 : Disclosure of Interest in Other entities (Amendments to Investment Entities).

IFRS 19 : Employee Benefits (Defined Benefits Plans - Employee contributions).

IAS 19 : Employee Benefits (Defined Benefits Plans - Employee contributions).

IAS 27 : Separate Financial Statements (Amendments to Investment Entities).

IAS 36 : Recoverable amount disclosures for Non-Financial Assets.

IAS 39 : Financial Instruments - Recognition and Measurement Amendments to IAS 39 'Novation of derivatives'.

IFRS 5 : Non-current assets held for sale and discontinued operations - changes of method of disposal.

IFRS 7 : Financial Instruments - Servicing contracts

IFRS 7 : Financial Instruments - Applicability of the offsetting disclosures to condensed interim financial statements.

IAS 19 : Employees Benefits - Discount rate : regional market issue

IAS 34 : Interim financial reporting - Disclosure of information 'elsewhere in the interim financial report'.

IFRS 14 : Regulatory Deferral Accounts

IAS 26 : Fair Value disclosures by Retirement Benefit Plan

IFRS 11 : Accounting for Acquisitions of Interest in Joint Operations

IAS 16 & IAS38 : Clarification of acceptable method of depreciation and amortization.

IAS 16 & IAS41 : Agriculture; Bearer Plants.

IFRS 10, IFRS 12 and IAS 28 : Investment Entities - Applying the consolidation exception.

IAS 12: Recognition of Deferred Tax Assets for unrealized losses.

IFRS 12 : Disclosure of Interests in Other Entities



EMERALD JEWELLERS DMCC

Dubai, UAE

Notes to the Consolidated Financial Statements (continued...)

For the year ended March 31, 2023

IFRS 9 : Prepayment Features with Negative Compensation.

IAS 28 : Long Term Interests in Associates and Joint Ventures.

IFRS 16 : Leases.

IFRIC 23 : Uncertainty over income tax treatments.

IFRS10 : Sale of Contribution of Assets between investor and its associate or Joint Venture.

IAS 1 & IAS 8 : Definition of Material.

IAS 1 : Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

IAS 16: Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)

IAS 37: Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

IFRS 17: Insurance Contracts (Amendments to IFRS 17)

IAS 1: Disclosure of Accounting Policies

IAS 8: Definition of Accounting Estimates (Amendments to IAS 8)

Management anticipate that the adoption of these Standard and Interpretations' will have no material impact on the financial statements of the company in the period of initial application.

d. Revenue Recognition

Income is recognized when it is earned, not necessarily when received. The income has been recognized when invoices are raised and acknowledged by the customer. Expenses and charges have been recognized when it was incurred, not necessarily when paid.

e. Property, Plant & Equipment

Property, Plant & Equipment is 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 asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity 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 depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

	<u>Years</u>
<i>Leasehold Improvement</i>	3
<i>Furniture & Fixture</i>	5
<i>Office Equipment</i>	5
<i>Motor Vehicle</i>	5
<i>Computers & Accessories</i>	5
<i>Office / Residential Buildings</i>	20



EMERALD JEWELLERS DMCC

Dubai, UAE

Notes to the Consolidated Financial Statements (continued...)

For the year ended March 31, 2023

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.

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

f. Inventories

Inventories are stated at the lower of cost and net realizable value using weighted average method. Costs comprise direct materials and, where applicable, direct labour costs and the overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to disposal.

g. Accounts Receivables

Accounts Receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are initially recognized at fair value and subsequently measured at amortized cost reduced by appropriate allowance for estimated doubtful debts.

h. Other Receivables

Other Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in the current assets, except for maturities greater than 12 months after the end of the reporting period. The entity's other receivables comprises "cash and cash equivalents, deposits, prepayments and loans and advances.

i. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and other short-term highly liquid investments with a maturity date of three months or less from the date of investments.



EMERALD JEWELLERS DMCC

Dubai, UAE

Notes to the Consolidated Financial Statements (continued...)

For the year ended March 31, 2023

j. Accounts payables

Accounts payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if no longer). If not, they are presented as non-current liabilities. Trade and other payables are recognized initially at fair value and subsequently are measured at amortized cost using effective interest method.

k. Other Payables

Other payables represents current payables other than dividend payables and tax payables. These payables are expected to mature within one year or an operating cycle, which ever is no longer. Other payables includes payables to employees, accrued expenses and duties.

l. Provisions

Provisions are recognized when the entity 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 expense relating to any provision is recognized in the profit or loss, net of any reimbursement.

m. Foreign Currency Transactions

Foreign currency transactions are recorded in UAE Dirham at the approximate rate of exchange ruling at the time of the transaction. Assets and liabilities expressed in foreign currencies at the Statement of Financial Position date are converted to UAE Dirham at the year end rate of exchange. All foreign currency gains and losses are booked in the statement of income as they arise.

n. Employees' Terminal Benefits

Employees' Terminal Benefits are provided based on employees' salaries and number of years of service in accordance with the UAE Labour Law No. (30) of 2021.

o. Profit and Loss account

The company's profit or loss is arrived at after charging all expenses incurred in day to day operations of the business and in maintaining property, plant and equipment.

p. Rounding off

The figures stated in the attached consolidated financial statements are rounded off to the nearest UAE Dirham.



EMERALD JEWELLERS DMCC

Dubai, UAE

Notes to the Consolidated Financial Statements (continued...)

For the year ended March 31, 2023

q. Fair Value of consolidated financial instruments

The value of all classes of financial assets and financial liabilities, as recorded in the Statement of Consolidated Financial Position approximate the fair value of these assets and liabilities.

r. General

In the opinion of the management all the assets as shown in the consolidated financial statements are existing and realizable at the amount shown against and there are no liabilities against the company contingent or otherwise not included in the above Consolidated Financial Statement.

7. Key sources of estimation uncertainty

Impairment of Accounts Receivables

All estimate of the collectible amount of trade receivables are made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Useful Lives of Property and Equipment

The company's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.

Impairment of assets

Assessments of net recoverable amounts of property and equipment and all financial assets other than trade and other receivables are based on assumptions regarding future cash flows expected to be received from the related assets.

Net realizable value of inventory

Inventories are stated at the lower cost or net realizable value. Adjustments to reduce the cost of inventory to its realizable value, if required, are made for estimated obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deteriorate and quality issues.



EMERALD JEWELLERS DMCC

Dubai, UAE

Notes to the Consolidated Financial Statements (continued...)

For the year ended March 31, 2023

8. Property, Plant & Equipment

	<u>Furniture & Fixtures</u>	<u>Office Equipment</u>	<u>Office/Resi. Building</u>	<u>Leasehold Improvement</u>	<u>Motor Vehicle</u>	<u>Computers & Accessories</u>	<u>Total</u>
Cost :							
As at March 31, 2022	428,052	62,430	4,862,245	Nil	72,807	18,447	5,443,981
Additions for the year	22,621	43,478	Nil	258,750	Nil	8,800	333,649
Disposal during the year	Nil	(3,700)	Nil	Nil	Nil	Nil	(3,700)
As at March 31, 2023	<u>450,673</u>	<u>102,208</u>	<u>4,862,245</u>	<u>258,750</u>	<u>72,807</u>	<u>27,247</u>	<u>5,773,930</u>
Accumulated Depreciation :							
As at March 31, 2022	425,918	60,030	2,788,757	Nil	72,807	17,477	3,364,989
Deletion during the year	Nil	(675)	Nil	Nil	Nil	Nil	(675)
Charge for the year	6,151	8,346	243,112	71,120	Nil	1,425	330,154
As at March 31, 2023	<u>432,069</u>	<u>67,701</u>	<u>3,031,869</u>	<u>71,120</u>	<u>72,807</u>	<u>18,902</u>	<u>3,694,468</u>
Carrying Amount :							
As at March 31, 2023	<u><u>18,604</u></u>	<u><u>34,507</u></u>	<u><u>1,830,376</u></u>	<u><u>Nil</u></u>	<u><u>Nil</u></u>	<u><u>8,345</u></u>	<u><u>2,079,462</u></u>
As at March 31, 2022	<u><u>2,134</u></u>	<u><u>2,400</u></u>	<u><u>2,073,488</u></u>	<u><u>Nil</u></u>	<u><u>Nil</u></u>	<u><u>970</u></u>	<u><u>2,078,992</u></u>



EMERALD JEWELLERS DMCC

Dubai, UAE

Notes to the Consolidated Financial Statements (continued...)**For the year ended March 31, 2023**

		<i>31-03-2023</i>	<i>31-03-2022</i>
		<i>AED</i>	<i>AED</i>
9. Capital Work-In-progress			
Un Installed Furnitures & Tools		Nil	155,555
		<u>Nil</u>	<u>155,555</u>
10. Investments *			
Jewel One Jewellery LLC - Dubai		Nil	147,000
		<u>Nil</u>	<u>147,000</u>
11. Inventories	<u>31-03-2023</u>	<u>31-03-2022</u>	
	Qty in gms	Qty in gms	
Stock on Hand - Gold	<i>106,707</i>	<i>69,353.30</i>	24,810,295
Making Charges			15,862,962
Silver			3,357,691
			4,904
			<u>26,272,994</u>
			<u>19,225,557</u>
12. Accounts Receivables			
Trade Receivables		17,211,365	7,216,514
Post dated cheques - received		129,021	157,657
		<u>17,340,386</u>	<u>7,374,171</u>
13. Other Receivables			
Other Receivables		1,661,804	2,346,699
Deposits		200,186	319,404
Prepayments		118,883	252,400
Advance to Suppliers		Nil	164,197
VAT Receivable		Nil	23,495
Staff Advances		Nil	220
		<u>1,980,873</u>	<u>3,106,415</u>
14. Related Party			

Related parties represents associated companies, partners, directors and key management personnel of the company, and entities controlled, jointly controlled or significantly influenced by such parties. The company has in the ordinary course of business, entered into certain transactions with persons or entities which fall within the definitions of related parties contained in International Financial Reporting Standards (IFRSs). The management decides on the terms and conditions of the transactions and services received/rendered from related parties as well as on other charges which is normally at arm's length basis only. The balances due from related parties as on the date of statement of financial position are given below. in International Financial Reporting Standards (IFRSs).



EMERALD JEWELLERS DMCC
Dubai, UAE
Notes to the Consolidated Financial Statements (continued...)
For the year ended March 31, 2023

	31-03-2023 AED	31-03-2022 AED
Due from Related Party		
Emerald Jeweller-India (for M/s. Jewel One Jewellery LLC)	Nil	31,702
	<u>Nil</u>	<u>31,702</u>
Due to Related Parties		
Emerald Jeweller-India (for M/s. Emerald Jewellers DMCC)	47,744,694	Nil
	Nil	153,828
	<u>47,744,694</u>	<u>153,828</u>
15. Cash and Bank		
Cash in Hand	33,013	20,543
Cash at Bank	126,750	315,574
	<u>159,763</u>	<u>336,117</u>
16. Shareholders' Current Account		
Opening balance	(10,931,180)	(5,931,103)
Amount Transfer to Increase Share Capital	Nil	Nil
Transfer/ Net Movement during the year	152,831	(5,000,077)
Closing balance	<u>(10,778,349)</u>	<u>(10,931,180)</u>
17. Accumulated Losses		
Opening balance	(3,633,178)	(6,013,021)
Total Comprehensive Income/ (Loss) for the year	1,006,049	2,379,843
Closing balance	<u>(2,627,129)</u>	<u>(3,633,178)</u>
18. Bank Borrowings (Current Liability)		
This amount represents the Mortgage loan instalments due within one year	<u>926,829</u>	<u>896,038</u>
Bank Borrowings (Non-Current Liabilities)		
This amount represents the Mortgage loan instalments due after one year	<u>Nil</u>	<u>1,033,495</u>



EMERALD JEWELLERS DMCC

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Notes to the Consolidated Financial Statements (continued...)

For the year ended March 31, 2023

	31-03-2023	31-03-2022
	AED	AED
19. Accounts and Other Payables		
Accounts payable	3,212,298	35,050,387
Advance received from customers	1,399,237	1,370,581
PDC Issued	303,911	552,225
Advance rent	125,909	213,252
Other payable	35,115	62,697
Provisions	36,406	17,199
Staff Advances	38,174	Nil
VAT Payable	46,079	Nil
	<u>5,197,129</u>	<u>37,266,341</u>
20. Revenue		
Gold Sales	158,405,447	143,422,407
Wastage & Making charges	9,129,069	3,255,566
	<u>167,534,516</u>	<u>146,677,973</u>
21. Cost of Sales		
Opening Stock	19,225,557	8,244,497
Purchases with Consumption (Gold, Silver & Platinum)	165,317,078	154,442,389
Making & Wastage	6,355,595	1,128,736
Direct expenses	627,783	79,875
Less : Closing Stock	(26,272,994)	(19,225,557)
	<u>165,253,019</u>	<u>144,669,940</u>
22. Other Income		
Foreign Exchange Gain	516,720	85,803
Rental Income	309,343	290,581
Purity Gain/Loss	50,697	301,670
Premium received	28,131	1,198
Miscellaneous Income	944	Nil
Sales of Fixed Asset	675	9,524
Discount Income	365	Nil
Hedging Profit	Nil	1,197,476
	<u>906,875</u>	<u>1,886,252</u>



EMERALD JEWELLERS DMCC

Dubai, UAE

Notes to the Consolidated Financial Statements (continued...)

For the year ended March 31, 2023

	31-03-2023	31-03-2022
	AED	AED
23. General & Admin. Expenses		
Salaries & Benefits	566,581	493,641
Rent	257,314	224,170
Bad Debts	226,856	Nil
Business Promotion	225,130	10,296
Repair & Maintenance	126,694	77,615
License, Legal & Professional fee	64,173	70,046
Communication & Utilities	63,899	48,064
Office expenses	57,526	28,595
Insurance	55,581	72,401
Sponsorship	40,104	20,000
Visa expenses	36,448	25,052
Vehicle & Travelling expenses	12,976	17,425
	<u>1,733,282</u>	<u>1,087,305</u>
24. Financial Charges		
Interest charges	98,771	161,556
Bank charges	20,116	19,214
	<u>118,887</u>	<u>180,770</u>

25. Financial Risk Factors*(i) 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 have mortgage loan with in 6.5% for the first year and 4.9% + 3 months EIBOR for the remaining period.

(ii) Exchange Rate Risk

The Company is not exposed to any significant exchange rate risk because the main currencies of the financial instruments, other assets, liabilities and trading transactions including purchases and sales are in UAE Dirhams.

(iii) Credit Risk

Credit risk is the risk that once party to a financial instrument will fall to discharge as obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balances, trade receivables, deposits and advance as follows:

EMERALD JEWELLERS DMCC
Dubai, UAE
Notes to the Consolidated Financial Statements (continued...)
For the year ended March 31, 2023

<u>Particulars</u>	<u>31-03-2023</u>	<u>31-03-2022</u>
Cash & Bank balances	159,763	336,117
Accounts Receivables	17,340,386	7,374,171
Other Receivables	1,980,873	3,106,415
Due from Related Party	Nil	31,702
TOTAL	<u>19,481,022</u>	<u>10,848,405</u>

The Company seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting limits for individual customers and monitoring outstanding accounts receivable.

With respect to credit risk arising from the other financial assets of the Company, including cash and cash equivalents, the Entity's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the owners and the management who ensure that sufficient funds are made available to the Company to meet any future commitments.

26. Financial instruments: Fair value

Financial instruments comprise of consolidated financial assets and financial liabilities. The fair value of the Company's consolidated financial assets comprising of deposits and consolidated bank balances and consolidated financial liabilities comprising of accruals approximate to their carrying values.

27. Contingent Liability

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on company's accounts as of date of statement of consolidated financial position.

28. Comparative figures

The classification or regrouping of certain previous year figures have been made to confirm with current year presentation.



EMERALD JEWELLERS DMCC

Dubai, UAE

Notes to the Consolidated Financial Statements (continued...)

For the year ended March 31, 2023

29. Significant events after the date of statement of consolidated financial position

There were no significant events occurring after the date of statement of consolidated financial position which require disclosure in the consolidated financial statements.

The accompanying notes 1 to 29 form an integral part of these consolidated financial statements.

The Report of the Auditors is set out on pages 4 & 5.

These consolidated financial statements on pages 6 to 22 were approved by the Managing Director on August 23, 2023 and signed by:



EMERALD JEWELLERS DMCC

Managing Director

