

**EMERALD JEWELLERS DMCC
DUBAI - U.A.E**

UNITED ARAB EMIRATES

**FINANCIAL STATEMENTS & INDEPENDENT
AUDITOR'S REPORT**

AS ON 31ST MARCH, 2024

SUNTECH AUDITORS & CONSULTANTS

**EMERALD JEWELLERS DMCC
DUBAI - U.A.E.**

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The Shareholder,
EMERALD JEWELLERS DMCC
DUBAI - U.A.E.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF EMERALD JEWELLERS DMCC

Report on the financial statements

We have audited the accompanying financial statements of EMERALD JEWELLERS DMCC, DUBAI- U.A.E., which comprise the statement of financial position as at 31st March 2024, the statement of comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended and a summary of material accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of EMERALD JEWELLERS DMCC, DUBAI- U.A.E. as of 31st March 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Accountants (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 relating to Going Concern

Without qualifying our opinion, we draw attention to note no.4(p) in the financial report which indicates that the company have a negative net worth of AED 4,365,316/- as on 31st March, 2024 year ended. These conditions, along with other matters as set forth in note no.4(p), indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

Other Matter

The financial statements for the year ended 31st March, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 23rd August, 2023.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines it 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.

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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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Report on Other Legal and Regulatory Requirements

- We further confirm that we have obtained all information and explanations necessary for our audit and that proper financial records have been maintained by the company in accordance with the DMCC Company Regulations No. 1/03 issued in 2003. To the best of our knowledge and belief no violations of said regulations have occurred which would have had a material effect on the business of the company or on its financial position.

SUNTECH AUDITORS & CONSULTANTS
DUBAI, U.A.E.

Date:-16th August, 2024



EMERALD JEWELLERS DMCC
DUBAI, U.A.E.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2024
(All Figures are expressed in U.A.E Dirhams)

	From 01.04.2023 to 31.03.2024	From 01.04.2022 to 31.03.2023
<u>Cash Flow from Operating Activities</u>		
Net profit for the year	2,379,799	101,036
<u>Adjustments for:</u>		
Profit on Sale of Property	(2,638,583)	-
Employees end of Service Benefits	1,246	(18,389)
Depreciation	158,692	243,771
Operating (Loss)/Profit before changes in working capital	(98,846)	326,418
<u>Changes in Working Capital</u>		
Changes in Inventory	-	19,222,738
Changes in Trade and Other Receivable	5,294,573	(834,559)
Changes in Advances,Deposits and Prepayment	(7,818)	-
Changes in Due from Related Party	-	4,457,428
Changes in Due To Related Party	(4,598,144)	9,979,469
Changes in Trade and Other Payable	(3,320,351)	(31,914,471)
Net Cash Flow from Operating Activities	(2,730,586)	1,237,023
<u>Cash Flow from Investment Activities</u>		
(Purchase) of Investments	-	(153,000)
Sale of Property	3,559,200	-
Net Cash Flow from Investing Activities	3,559,200	(153,000)
<u>Cash Flow from Financing Activities</u>		
(Repayment) of Bank Borrowings	(926,829)	(1,002,704)
Introduction/(Withdrawal) of capital	11	(381)
Net Cash (used in) Financing Activities	(926,818)	(1,003,085)
Net (Decrease)/Increase in Cash and Cash Equivalents	(98,204)	80,938
Cash and Cash Equivalents at Beginning of the Year	108,246	27,308
Cash and Cash Equivalents at End of the Year	10,042	108,246
Net (Decrease)/Increase in Cash and Cash Equivalents	(98,204)	80,938

* Cash Flow includes unfixed metal balances also.

The accompanying notes form an integral part of these financial statements.
The Report of the Independent Auditors is set out on page 1 & 2.



EMERALD JEWELLERS DMCC
DUBAI, U.A.E.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024
 (All Figures are expressed in U.A.E Dirhams)

ASSETS	Note	31.03.2024	31.03.2023
Non-Current Assets			
Property, Plant and Equipments	5	751,069	1,830,378
Investments	6 & 11	300,000	300,000
Total Non-Current Assets		<u>1,051,069</u>	<u>2,130,378</u>
Current Assets			
Trade and Other Receivables	7	37,500	5,332,073
Advance, Deposit and Prepayments	8	174,791	166,973
Cash and Cash Equivalents	9	10,042	108,246
Total Current Assets		<u>222,333</u>	<u>5,607,292</u>
TOTAL ASSETS		<u>1,273,402</u>	<u>7,737,670</u>
EQUITY AND LIABILITIES			
Equity			
Share Capital		7,300,000	7,300,000
		<u>7,300,000</u>	<u>7,300,000</u>
Shareholders' Current Accounts	10	(11,665,316)	(14,045,126)
Total Equity Funds		<u>(4,365,316)</u>	<u>(6,745,126)</u>
Non-Current Liabilities			
Employees end of Service Benefits		1,246	-
		<u>1,246</u>	<u>-</u>
Current Liabilities			
Due to Related Parties	11	5,535,153	10,133,297
Bank Borrowings	12	-	926,829
Trade and Other Payables	13	102,319	3,422,670
Total Current Liabilities		<u>5,637,472</u>	<u>14,482,796</u>
TOTAL EQUITY AND LIABILITIES		<u>1,273,402</u>	<u>7,737,670</u>

The accompanying notes form an integral part of these financial statements.
 The Report of the Independent Auditors is set out on page 1 & 2.

I the undersigned, for and on behalf of EMERALD JEWELLERS DMCC, approve these financials and confirm that we are responsible for them, including selecting the accounting policies and making judgments' underlying them. We also confirm that we have made available all relevant accounting statements for their audit.

For EMERALD JEWELLERS DMCC

MANAGER



EMERALD JEWELLERS DMCC
DUBAI, U.A.E.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024
(All Figures are expressed in U.A.E Dirhams)

Particulars	Note	From 01.04.2023 to 31.03.2024	From 01.04.2022 to 31.03.2023
Revenue	4a & 14	18,184,284	84,410,041
Less: Cost of Revenue	15	(18,050,042)	(84,034,474)
GROSS PROFIT		<u>134,242</u>	<u>375,567</u>
Administrative, Selling and Other Expenses	16	(295,387)	(305,839)
Depreciation	5	(158,692)	(243,771)
Net (Loss) from Operations		<u>(319,837)</u>	<u>(174,043)</u>
Financial Expenses	17	(39,756)	(110,292)
Other Income	18	2,739,392	385,371
NET PROFIT AVAILABLE FOR SHAREHOLDERS		<u>2,379,799</u>	<u>101,036</u>
OTHER COMPREHENSIVE INCOME			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Net other Comprehensive Income to be reclassified subsequently to profit or loss		-	-
<i>Items that may not be subsequently reclassified to profit or loss:</i>			
Net other Comprehensive Income not to be reclassified subsequently to profit or loss		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,379,799</u>	<u>101,036</u>

The accompanying notes form an integral part of these financial statements.
The Report of the Independent Auditors is set out on page 1 & 2.

I the undersigned, for and on behalf of EMERALD JEWELLERS DMCC, approve these financials and confirm that we are responsible for them, including selecting the accounting policies and making judgments' underlying them. We also confirm that we have made available all relevant accounting statements for their audit.

For EMERALD JEWELLERS DMCC


MANAGER



EMERALD JEWELLERS DMCC
DUBAI, UAE.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024
(All Figures are expressed in U.A.E Dirhams)

Particulars	Share Capital	Shareholders' Current Accounts (AED & Metal)	Retained Profits	Total
As on 01.04.2022	7,300,000	(14,145,781)	-	(6,845,781)
<u>Changes in Shareholders' Equity</u>				
a. Net profit for the year	-	-	101,036	101,036
b. Dividend Declared	-	101,036	(101,036)	-
c. Net movements	-	(381)	-	(381)
As on 31.03.2023	<u>7,300,000</u>	<u>(14,045,126)</u>	<u>-</u>	<u>(6,745,126)</u>
<u>Changes in Shareholders' Equity</u>				
a. Net profit for the year	-	-	2,379,799	2,379,799
b. Dividend Declared	-	2,379,799	(2,379,799)	-
c. Net movements	-	11	-	11
As on 31.03.2024	<u>7,300,000</u>	<u>(11,665,316)</u>	<u>-</u>	<u>(4,365,316)</u>

The notes on pages form an integral part of these financial statements.
The Report of the Auditors is set out on page 1 & 2.




**EMERALD JEWELLERS DMCC
DUBAI, UAE.**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024
FOR THE YEAR ENDED 31ST MARCH, 2024
(All Figures are expressed in U.A.E Dirhams)**

1. Legal Status and Business Activities

- a. EMERALD JEWELLERS DMCC, Dubai is incorporated and operates in United Arab Emirates under the trade license issued by Dubai Multi Commodities Centre, Government of Dubai - U.A.E
- b. The Principal activities of the company are Non-Manufactured Precious metal trading & Jewellery Trading.
- c. The registered office of the Company is located at Unit No: 20-09-24, Jewellery & Gemplex 2, Plot No: DMCC-PH2-J&G PlexS, Dubai, United Arab Emirates.
- d. The management and control are vested with Mr. Srinivasan Krishnamoorthy, Indian National.
- e. These financial statements incorporate the operating results of the trade license No. DMCC-31242

f. Share Capital

Authorised, issued and paid up capital of the Company is AED 7,300,000 divided into 7300 shares of AED 1,000 each fully paid. The breakup of the shareholding is as follows:

Shareholding of the Company

Shareholders	Nationality	Share Capital	Profit Share
		%	%
M/s. Emerald Jewel Industry Limited	India	100%	100%
		100%	100%

2. Statement of Compliance and Basis of Preparation

a. Statement of compliance

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

b. Basis of preparation

Management has made an assessment of the company's ability to continue as a going concern and is satisfied that the company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Further, the financial statements have been prepared on the historical cost basis except for certain financial instruments which are carried at fair value.



EMERALD JEWELLERS DMCC
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NOTES TO THE FINANCIAL STATEMENTS
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 (All Figures are expressed in U.A.E Dirhams)

3. Application of new and revised international financial reporting standards (IFRSs)

a) Impact of the initial application of other new and amended IFRSs that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 April 2023.

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 April 2023, 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:

New and revised IFRS

IFRS 17 Insurance Contracts

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

Definition of Accounting Estimates – Amendments to IAS 8

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2023.

b) New and amended IFRSs 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 Standards that have been issued but are not yet effective:

New and revised IFRSs

IFRS 17 Insurance Contracts

Amendments to IAS 1 Presentation of Financial Statements relating to Classification of Liabilities as Current or Non-Current.

Amendments to IFRS 4 Insurance Contracts Extension of the Temporary Exemption from Applying IFRS 9

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2

Amendments to IAS 12 Income Taxes relating to Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to IFRS 16 Leases

Amendments to IAS 1 Presentation of Financial Statements

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 the Company in the period of initial application.



EMERALD JEWELLERS DMCC
DUBAI, UAE.
NOTES TO THE FINANCIAL STATEMENTS
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4. Material accounting policies

a. Revenue Recognition

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. Revenue is measured at the fair value of consideration received or receivable for the sale of goods and services rendered in the ordinary course of the company's activities. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Sale of goods

Revenue from the sale of goods is recognised at a point in time when control of the goods is passed, at which time all the following conditions are satisfied:

- the performance obligation has been satisfied by the Company;
- the Company has transferred control of the goods to the customer;
- the Company has transferred the significant risks and rewards related to the ownership of the goods to the customer;
- the Company has a present right to payment for the goods delivered;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest Income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

b. Property, Plant and Equipment

Property, Plant and Equipment is stated at cost less accumulated depreciation and any identified impairment loss. The cost of Property, Plant and Equipment is the construction costs and/or purchase consideration together with any incidental costs of acquisition.

Cost includes construction costs and professional fees, and for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy. Depreciation of these assets commences when the assets are ready for their intended use.



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4. Material accounting policies (Continuation)

b. Property, Plant and Equipment (Continuation)

Depreciation is recognised so as to write off the cost other than freehold land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The Depreciation is calculated on a straight line basis over the estimated useful lives of the asset, are as follows:

	<u>Years</u>
Furnitures and Fixtures	5
Office Equipment	5
Motor Vehicle	5
Buildings	20

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

c. Intangible Assets

An Intangible asset shall be recognized if, and only if:

- i It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- ii the cost of the asset can be measured reliably.

An entity shall assess the probability of expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that exist over the useful life of the asset.

An entity shall use judgment to assess the degree of certainty attached to the flow of future economic benefits that are attributable to the use of the asset on the basis of the evidence available at the time of initial recognition, giving greater weight to external evidence.

An intangible asset shall be measured initially at cost.

d. Inventories

- Inventories of gold and unfixed metal balances have been valued at the net realizable value prevailing at balance sheet date. The rate on Balance Sheet date was GOZ \$ -(2062.97/-) for the current year and GOZ \$ -(1824.5/-) for the last year

- Net realisable value represents the estimated selling price less all estimated costs to completion and costs to disposal.

e. Trade and Other Receivables

- i. Trade and Other receivables are carried at anticipated realizable value.
- ii. Provision is made for doubtful receivables based on a review of all the outstanding amounts at the year end.
- iii. Bad debts are written off during the year in which they arise.



EMERALD JEWELLERS DMCC
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NOTES TO THE FINANCIAL STATEMENTS
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4. Material accounting policies (Continuation)

f. Impairment

As per IAS 36, At the end of each reporting year, the entity is require to reviews the carrying amounts of its tangible and intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill are reviewed at the end of each reporting year for possible reversal of the impairment loss.

g. Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise of cash on hand, current accounts, bank overdrafts repayable on demand and bank deposits free from lien with a maturity date of three months or less from the date of deposit.

h. Short Term Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost using the effective interest rate method. Difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss over the year of the borrowings using the effective interest method.

Borrowing costs are recognized in profit or loss in the year in which they are incurred. Fees paid on the company of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

i. Value Added Tax

Expenses and assets are recognised net of value added tax (VAT), except as under:

- If VAT incurred on purchase of assets or services is not recoverable from the Tax Authority, then VAT is recognised as part of the cost of acquisition of asset or as part of the expense item, as applicable
- Receivables and payables, stated in the statement of financial position, are inclusive of VAT.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of other receivables or other payables in the financial statement.

During the ordinary course of business, the company has certain transactions on which the ultimate output VAT is determined based on best interpretations of the applicable laws and industry practices.

j. Critical Accounting Estimates and Judgments

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



EMERALD JEWELLERS DMCC
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4. Material accounting policies (Continuation)

j. Critical Accounting Estimates and Judgments (Continuation)

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

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

k. Foreign Currency Transactions

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of these financial statements, the financial performance and financial position of the Company are expressed in United States Dollar which is the functional currency of the Company and the presentation currency for these financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the dates of the transactions.

At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of profit or loss and other comprehensive income.

l. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

m. Employees end of service Benefits

Gratuity Provision for employees end of service Benefits as a result of services rendered by eligible employees up to the end of the year are provided on an accrual basis.

Employees end of service benefits due to employees is in accordance with the UAE Labour Law for their period of service up to the end of the year.



EMERALD JEWELLERS DMCC
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FOR THE YEAR ENDED 31ST MARCH, 2024
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4. Material accounting policies (Continuation)

n. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, 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.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

o. Leases

Company as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments, variable lease payment and payments of penalties for terminating the lease.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising of the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date, any initial direct costs and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

p. Going Concern Assumption

During the year ended 2024, company have a negative net worth due to accumulated losses suffered during the earlier years. Though this indicates a material uncertainty on the company's ability to continue as a going concern, going concern basis assumption for the preparation of financials is still valid, since the management can inject the required funds in the business at the time of need.

Further, the major payable existing as on the reporting date is amount due to Wholly owned related party, and the company is confident of meeting its other obligations in the normal course of business. Thus we have prepared the financials for the current year on a going concern basis.



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4. Material accounting policies (Continuation)

q. Corporate Income Tax

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") issued Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% could be applied to taxable income not exceeding a particular threshold or to certain types of entities, to be prescribed by way of a Cabinet Decision.

The Company is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities.

r. Previous Year figures have been regrouped and rearranged wherever considers necessary to make them comparable with current year figures.

s. All the figures are in U.A.E Dirhams and have been rounded off to the nearest Dirhams.



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5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Furnitures & Fixtures	Office Building	Motor Vehicles	Office Equipments	Total
Gross Block					
As at 01.04.2023	157,912	4,862,245	72,807	40,102	5,133,066
Additions for the Year	-	-	-	-	-
Disposed of during the Year**	-	(2,577,600)	-	-	(2,577,600)
As at 31.03.2024	157,912	2,284,645	72,807	40,102	2,555,466
Depreciation					
As at 01.04.2023	157,911	3,031,869	72,807	40,101	3,302,688
Charged for the Year	-	158,692	-	-	158,692
Reversal during the Year**	-	(1,656,983)	-	-	(1,656,983)
As at 31.03.2024	157,911	1,533,578	72,807	40,101	1,804,397
Book Value As On 31.03.2024	1	751,067	-	1	751,069
Book Value As On 31.03.2023	1	1,830,376	-	1	1,830,378

*In the opinion of the management there is no impairment in the value of Property, Plant & Equipment. Hence, the carrying value of the Property, Plant & Equipment at reporting date are same as their net book value

**Building acquired on Global lake view and Almas Tower as on 2012 have been sold during this financial year. As a result its corresponding book value and accumulated depreciation have been reversed from the books.



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6. Investments	31.03.2024	31.03.2023
Jewel One Jewellery LLC-Dubai* (Refer Note -11)	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

*These represents investment made by Jewel One Jewellery LLC-Dubai(Wholly Owned Subsidiary).

7. Trade and Other Receivables

Trade Receivables*	-	5,240,573
Post Dated Cheque Received	37,500	91,500
	<u>37,500</u>	<u>5,332,073</u>

*Trade receivables, represents amounts receivable from third parties as at the reporting date. The Company's trade receivable balances from third parties are not impaired.

In determining the recoverability of a trade receivable, the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

8. Advance, Deposit and Prepayments	31.03.2024	31.03.2023
Advances	38,078	-
Deposits	115,968	114,953
Prepayment	20,745	52,020
	<u>174,791</u>	<u>166,973</u>

9. Cash and Cash Equivalents

Cash In hand	819	1,027
Bank Balance	9,223	107,219
	<u>10,042</u>	<u>108,246</u>

Amounts held in banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the United Arab Emirates. Accordingly, the management of the company estimates the loss allowance on deposits at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the banks, the management of the company have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.



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10. Shareholders' Current Account

This represents balances in the current account of the shareholders of the company. It is interest free and is for the purpose of long term business activities.

11. Related Party Transactions

The company enters into transactions with other companies and entities that fall within the definition of a related party as contained in International Accounting Standard (IAS) 24: Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common control and key management personnel.

The management decides on the terms and conditions of transactions and of services received/rendered from/to related parties as well as other charges.

Transactions with such related parties are made on substantially the same terms as those prevailing for comparable transactions with external customers and parties.

The company has determined that the amounts due from related parties do not carry a credit risk and hence no expected or specific loss allowance is required on these balances. In the process of making this determination, the company has considered the terms underlying these balances, historical default rates, the ability of the related parties to settle these balances when due and the right of set off on the Group basis. The balances due from related parties are repayable on demand and there is no historical default rate.

At the reporting date, significant balances with related parties were as follows:

Name of Related Party	Nature	Relation	31.03.2024	31.03.2023
Emerald Jewel Industry India Limited	(Due to Related Party)	Common Ownership	(102,103)	(102,103)
Jewel One Jewellery LLC	(Due to Related Party)	Common Ownership	(5,433,050)	(10,031,194)
Jewel One Jewellery LLC	Investment	Common Ownership	300,000	300,000

At the reporting date, significant transactions with related parties were as follows:

	31.03.2024	31.03.2023
Emerald Jewel Industry India Limited		
Sales	-	-
Purchases	-	-
Jewel One Jewellery LLC		
Sales	-	19,005,487
Purchases	308,200	183,202



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	31.03.2024	31.03.2023
12. Bank Borrowings		
Current Liability*	-	926,829
Non Current Liability	-	-
	-	926,829
*Bank Borrowings outstanding portion has been repaid during the year and facility has been closed.		
13. Trade and Other Payables		
Trade Payables	-	3,212,298
Other Payables	102,319	210,372
	102,319	3,422,670
14. Revenue		
Revenue From Metal	18,183,764	81,196,904
Making Charge	520	3,213,137
	18,184,284	84,410,041
15. Cost of Revenue		
Opening Stock	-	19,222,738
Add:Purchase	17,999,156	64,717,389
Add:Direct Expense	50,886	94,347
Less:Closing Stock	-	-
	18,050,042	84,034,474
16. Administrative, Selling and Other Expenses		
Repairs & Maintenance	38,894	116,139
Insurance	31,033	49,282
License, Legal and Professional fees	55,786	38,683
Rent	32,714	32,227
Bad debts	33,040	24,090
Salaries & Benefits	32,446	23,814
Communication & Utilities	18,266	14,905
Office Expense	6,955	2,522
Vehicle & Travelling Expense	2,500	1,832
Visa Expenses	2,453	1,300
Commission & Brokerage	41,300	1,045
	295,387	305,839



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	31.03.2024	31.03.2023
17. Financial Expenses		
Interest Charges	31,373	98,771
Bank Charges	8,383	11,521
	39,756	110,292
18. Other Income		
Income from Rent*	100,809	309,343
Miscellaneous income	-	76,028
Profit on sale of Property**	2,638,583	-
	2,739,392	385,371

* Rental income constitutes receipt of rent from letting out of properties in Almas Tower and Global lake View in the course of business.

**Profit on sale of Property constitutes gain arised upon transfer of properties in Plot No - 1066, Municipality Number 393-6146, Almas Tower, Building Number -1, Floor No.17 and Al Thanya fifth, Plot No.- 954, Property No: 1105, Building No.-1, Global Lake View.

19. Financial Instruments

In accordance with the International Accounting Standard 32 read with International Financial Reporting Standard 7 regarding Financial Instruments the following disclosures are made:

Financial Instruments means financial assets, financial liabilities, and equity instruments.

Financial assets of the company are trade receivables, margin paid against unfixed gold received, cash and bank balance, deposits, advances and other receivables. Financial liabilities are trade payable, margin received against unfixed gold given, accruals and other payables.

A. Fair Values

The fair values of the financial assets and financial liabilities approximate to their carrying values.

B. Financial Risk Management Objectives

The company has exposure to the following risks from its use of financial instruments:

Market risk

Credit risk

Liquidity risk

a. Market Risk

Market risk is the risk that changes market prices which 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.

i. Foreign Currency Risk Management

The company undertakes certain transactions denominated in foreign currencies. There is no significant foreign currency risk as substantial part of all financial assets and financial liabilities are denominated in U.A.E Dirham or U.S Dollars to which the U.A.E Dirham is fixed.



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19. Financial Instruments (Continuation)

B. Financial Risk Management Objectives (Continuation)

a. Market Risk (Continuation)

i. Foreign Currency Risk Management

The company undertakes certain transactions denominated in foreign currencies. There is no significant foreign currency risk as substantial part of all financial assets and financial liabilities are denominated in U.A.E Dirham or U.S Dollars to which the U.A.E Dirham is fixed.

ii. Interest Rate Risk

Interest on fixed deposits is at fixed interest rates. Interest on call deposits are at floating interest rates. Interest on gold loan from bank is at floating interest rates prevailing in the UAE. No interest has been paid on long term loan received from the Shareholders.

b. Credit Risk

Financial assets that potentially expose the company to credit risk, comprises mainly of bank current and call accounts, trade receivables, margin paid against unfixed gold received, deposits, advances and other receivables.

i. The company's bank current and call accounts are placed with high credit quality financial institutions.

ii. There is no credit risk with respect to margin paid against unfixed gold as this margin is being paid against the receipt of gold on unfixed basis.

iii. Deposits are held with government authorities and are refundable. Advances given and other receivables are recoverable in the opinion of the management.

Particulars	31-03-2024	31-03-2023
Cash & Cash Equivalents	10,042	108,246
Trade & Other Receivables	37,500	5,499,046
	<u>47,542</u>	<u>5,607,292</u>

c. Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets.



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19. Financial Instruments (Continuation)

C. Capital Risk Management

The company's objective when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for Shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Shareholders policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

20. Contingent Liabilities and Capital Commitments

Except for the ongoing business obligation 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 Entity's Financial Statement as of reporting date.

21. Comparative Figures

Previous year figure's have been regrouped and rearranged to make them comparable with current year figures.

22. Significant Events occurring after the reporting date

There were no significant events occurring after the reporting date, which require disclosure in the Financial Statements.

For EMERALD JEWELLERS DMCC


MANAGER

