KALYAN JEWELLERS W.L.L.
DOHA – QATAR

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
MARCH 31, 2024

KALYAN JEWELLERS W.L.L.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To The Shareholders
Kalyan Jewellers W.L.L.
Doha-Qatar

Opinion

We have audited the financial statements of Kalyan Jewellers W.L.L. (the "Company"), which comprise the statement of financial position as at March 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of material accounting policy information.

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

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in accordance with the applicable provisions of the Qatar Commercial Companies' Law and Company's article 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISA's, we exercise professional judgement 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 risk, 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 the 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 expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

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

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Kalyan Jewellers W.L.L., Doha-Qatar (continued)

Report on Other Legal and Regulatory Requirements

Further, as required by the Qatar Commercial Companies' Law, we report the following:

- We are of the opinion that proper books of account were maintained by the Company and the physical inventory verification has been duly carried out.
- We obtained all the information and explanations, which we considered necessary for the purpose of our audit.
- To the best of our knowledge and belief and according to the information given to us, except as mentioned below, no contraventions of the applicable provisions of Qatar Commercial Companies' Law and the Company's Articles of Associations were committed during the year, which would materially affect the Company's financial position or its financial performance.

  The accumulated losses of the Company as of March 31, 2024 amounted to QR. 6,297,090 contravening the Qatar Commercial Companies' Law. The Law states that should the Company's losses exceed 50% of the capital of the Company, the partners should either dissolve the Company or increase its capital.

As mentioned in Note 24 to the financial statements, the Company has appointed an independent external auditor to perform an independent assessment of the Company's compliance with the "Law No. (20) of 2019 on Anti-Money Laundering and Terrorist Financing" as required by the Ministry of Commerce and Industry "MOCI". The report of the independent external auditor has identified certain areas of non-compliance with the "Law No. (20) of 2019 on Anti-Money Laundering and Terrorist Financing". Management is in the process of remediation of these non-compliances. Accordingly, we do not give an opinion on the compliance with the relevant AML regulations.

Doha – Qatar
July 15, 2024

For **Deloitte & Touche**
Qatar Branch

Walid Slim
Partner
License No. 319

KALYAN JEWELLERS W.L.L.

STATEMENT OF FINANCIAL POSITION
As at March 31, 2024

	Notes	March 31, 2024	March 31, 2023
		QR.	QR.
ASSETS			
Non-current assets			
Furniture, fixtures and equipment	5	**5,515,344**	7,113,353
Right-of-use-assets	6	**41,644,751**	46,277,500
Total non-current assets		**47,160,095**	53,390,853
Current assets			
Inventories	7	**110,788,331**	112,627,624
Trade receivables	9	**801,759**	836,883
Other receivables	9	**10,104,607**	497,362
Cash and bank balances	10	**13,333,380**	12,518,726
Total current assets		**135,028,077**	126,480,595
TOTAL ASSETS		**182,188,172**	179,871,448
EQUITY AND LIABILITIES			
Equity			
Share capital	1	**200,000**	200,000
Partner's current account		**45,390,278**	45,390,278
Accumulated losses		**(6,297,090)**	(11,205,767)
Net equity		**39,293,188**	34,384,511
Non-current liabilities			
Employees' end of service benefits	11	**583,717**	424,095
Lease liabilities	14	**1,283,629**	1,945,216
Total non-current liabilities		**1,867,346**	2,369,311
Current liabilities			
Trade payables		**14,769,111**	22,882,209
Lease liabilities	14	**1,733,525**	1,299,658
Bank borrowings	12	**3,109,197**	1,054,073
Loan from shareholder	8(c)	**99,351,319**	97,772,514
Due to a related party	8(b)	**7,758,886**	7,524,894
Accrued expenses and other liabilities	13	**14,305,600**	12,584,278
Total current liabilities		**141,027,638**	143,117,626
Total liabilities		**142,894,984**	145,486,937
TOTAL EQUITY AND LIABILITIES		**182,188,172**	179,871,448

DELOITTE & TOUCHE
Doha - Qatar
15 JUL 2024
Signed for Identification
Purposes Only

These financial statements were approved and authorized by the partners for issue on ...., 2024.

مجوهرات كليان
KALYAN JEWELLERS
CR No.67939, P.O.Box 30810, Doha Qatar

Nasser Darwish A Mashhadi

Kalyan Jewellers L.L.C

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

KALYAN JEWELLERS W.L.L.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended March 31, 2024

	Notes	**March 31, 2024**	March 31, 2023
		QR.	QR.
Revenue	15	**200,516,130**	200,838,792
Cost of sales	16	**(171,115,777)**	(173,341,046)
		29,400,353	27,497,746
Other income		**541,461**	105,442
Depreciation	5	**(871,748)**	(946,860)
Amortization of right-of-use assets	6	**(4,019,497)**	(4,516,578)
General and administrative expenses	17	**(11,233,038)**	(10,698,211)
Finance costs		**(8,312,848)**	(7,808,920)
Profit before tax the year		**5,504,683**	3,632,619
Income tax	18	**(596,006)**	(1,059,537)
Profit after Tax		**4,908,677**	2,573,082
Other comprehensive income		**-**	-
Total comprehensive income for the year		**4,908,677**	2,573,082

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

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Doha - Qatar
15 JUL 2024
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STATEMENT OF CHANGES IN EQUITY
For the year ended March 31, 2024

	Share capital	Partner's current account	Accumulated losses	Total
	QR.	QR.	QR.	QR.
Balance at March 31, 2022	200,000	104,850,276	(13,778,849)	91,271,427
Settlement of loan (Note 8)	-	(59,459,998)	-	(59,459,998)
Total comprehensive income for the year	-	-	2,573,082	2,573,082
Balance at March 31, 2023	200,000	45,390,278	(11,205,767)	34,384,511
Total comprehensive income for the year	-	-	4,908,677	4,908,677
Balance at March 31, 2024	**200,000**	**45,390,278**	**(6,297,090)**	**39,293,188**

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

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Doha - Qatar
15 JUL 2024
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Purposes Only

KALYAN JEWELLERS W.L.L.

STATEMENT OF CASH FLOWS
For the year ended March 31, 2024

	Note	**March 31, 2024**	March 31, 2023
		QR.	QR.
OPERATING ACTIVITIES			
Profit before tax for the year		**5,504,683**	3,632,619
Adjustment for:			
Depreciation of furniture, fixtures and equipment	5	**871,748**	946,860
Amortization of right-of-use assets	6	**4,019,497**	4,516,578
Net re-measurement of loss allowance	17	**(173,854)**	-
Provision for employees' end of service benefits	11	**178,048**	74,225
Loss on disposal of furniture, fixtures and equipment		**(318,247)**	-
Finance costs		**8,312,848**	7,808,920
		18,394,723	16,979,202
Changes in working capital:			
Inventories		**1,839,293**	(27,213,992)
Due from a related party		**-**	9,242,090
Trade receivables		**208,978**	(485,370)
Other receivables		**(2,357,243)**	(136,399)
Trade payables		**(8,113,098)**	11,936,105
Due to a related party		**233,992**	1,393,778
Accrued expenses and other liabilities		**1,287,330**	228,966
Cash generated from operations		**11,693,975**	11,836448
End of service benefits paid	11	**(18,426)**	(42,283)
Tax Paid		**(396,006)**	(709,537)
Net cash generated from operating activities		**11,079,543**	10,734,628
INVESTING ACTIVITIES			
Purchase of furniture, fixtures and equipment	5	**(705,493)**	(168,429)
Proceeds from disposal of furniture, fixtures and equipment		**1,750,001**	-
Acquisition of right of use assets (key money)	6	**(3,000,000)**	-
Margin deposits	10	**(206,851)**	(122,253)
Net cash used in investing activities		**(2,162,343)**	(290,682)
FINANCING ACTIVITIES			
Bank borrowings	12	**2,055,124**	(946,865)
Payment of principal portion of lease liability		**(3,864,470)**	(4,294,893)
Payment of interest portion of lease liability		**(233,575)**	(140,353)
Finance costs paid		**(7,845,281)**	(7,668,567)
Receipt/(payment) against loan from shareholders		**1,578,805**	(321,533)
Net cash used in financing activities		**(8,309,397)**	(13,372,211)
Net increase/(decrease) in cash and cash equivalents		**607,803**	(2,928,265)
Cash and cash equivalents at beginning of the year	10	**7,125,109**	10,053,374
Cash and cash equivalents at end of the year	10	**7,732,912**	7,125,109

Refer note 23 for the non-cash transactions.

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

DELOITTE & TOUCHE
Doha - Qatar
15 JUL 2024
Signed for Identification
Purposes Only

1. GENERAL INFORMATION

Kalyan Jewellers W.L.L. (the "Company") is a limited liability Company registered in the State of Qatar under Commercial Registration No. 67939. The Registered Office of the Company is situated in Abdul Jaleel Center, 3rd Floor, Unit No-303, Najma Airport road, Doha-Qatar.

The Company is a retailer in jewellery and ornaments. The Company's ownership details are as follows:

	Nationality	Amount QR.	%
Nasser Darwish A Mashhadi	Qatari	102,000	51
Kalyan Jewellers L.L.C.	Emirati	98,000	49
		200,000	**100**

The Company is a subsidiary of Kalyan Jewellers L.L.C. (Intermediate Holding Company) and ultimate controlling party is Kalyan Jewellers India Ltd (the "Ultimate Parent Company").

1.1 Commercial Companies' Law

The accumulated losses of the Company as of March 31, 2024 amounted to QR. 6,297,090 (March 31, 2023: QR. 11,205,767) contravening the Qatar Commercial Companies' Law. The said law states that should the Company's losses exceed 50% of the capital of the Company, the partners should dissolve the Company or increase its capital. The partners will be jointly and severally responsible for the Company's liabilities.

1.2 Going concern

The Company, as at 31 March 2024 the current liabilities exceeded current assets by QR 5,999,561 (2023: QR (16,637,031). The Company will be able to continue as a going concern with the continuing financial support of its shareholders and profitable operations. The shareholders have confirmed to the management of the Company that they will provide adequate financial support to the Company to meet its obligations as they fall due and the management believe that Company will be able to make profitable operations in the future. Accordingly, these financial statements have been prepared on a going concern basis.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS Accounting Standards)

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS recently issued by the IASB and International Financial Reporting Interpretations Committee ("IFRIC") interpretations effective as of January 1, 2023:

2.1 New amendments to standards effective from 1 January 2023

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2023, have been adopted in these financial statements.

New and revised IFRS	*Effective for annual periods beginning on or after*
IFRS 17 Insurance Contracts	January 1, 2023
IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as at January 1, 2023.	

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS Accounting Standards) (continued)

2.1 New amendments to standards effective from 1 January 2023 (continued)

New and revised IFRS	***Effective for annual periods beginning on or after***
IFRS 17 Insurance Contracts	January 1, 2023
IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as at January 1, 2023.	
Amendments to IAS 1- Classification of Liabilities as Current or Non-current	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
Amendments to IAS 12 Income taxes – Deferred tax related to assets and liabilities arising from a single transaction.	January 1, 2023
Amendments to IAS 12 Income Taxes —International Tax Reform—Pillar Two Model Rules	January 1, 2023

The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years.

2.2 New and amended standards not yet effective, but available for early adoption

The Company has not early adopted the following new and amended standards and interpretations that have been issued but are not yet effective.

New and revised IFRS	**Effective for annual periods beginning on or after**
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Available for optional adoption/ effective date deferred indefinitely
Amendments to IFRS 16 Leases: Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 1, 2024. Early application permitted

Management 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 as highlighted in previous paragraphs, may have no material impact on the financial statements of the Company in the period of initial application.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards"), applicable provisions of Qatar Commercial Companies' Law, whose certain provisions were amended by Law no. 8 of 2021 and the Company's article of association.

Basis of preparation

The financial statements have been prepared under the historical cost convention. The principal accounting policies are set out below. These financial statements are presented in Qatari Riyal (QR), which is the Company's functional and reporting currency.

Furniture, fixtures and equipment

Furniture, fixtures and equipment are stated at cost less accumulated depreciation and any impairment in value. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is charged to statement of profit or loss on a straight-line method basis over the estimated useful lives of the assets.

The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis. Please refer to Note 5 for useful lives of furniture, fixtures and equipment.

The carrying values of furniture, fixtures and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of the fair value less costs to sell and their value in use.

Impairment of tangible assets

At each statement of financial position date, the Company reviews the carrying amounts 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). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of 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.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of tangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of 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.

Foreign currencies

Transactions in foreign currencies are initially recorded at the approximate functional currency rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the approximate exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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 recognized 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.

Employees' end of service benefits

A provision is made for employees end of service benefits which is payable on completion of employment. The provision is calculated in accordance with Qatari Labour Law based on employees' salary and accumulated period of service as at the reporting date.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position 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 costs 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 recognised immediately in profit or loss.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised 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 recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments designated at amortized cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest rate method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "Other income” line item.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on trade receivables, due from a related party and bank balances that are measured at amortized cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and due from a related party. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

<u>(i) Significant increase in credit risk</u>

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default;

(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and,

(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(ii) Definition of default

The Company employs statistical models to analyse the data collected and generate estimates of probability of default (“PD”) of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event (see (ii) above);

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for 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 recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition 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 investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method for gold and gold ornaments measured in weight and specific costing method for diamonds. Cost includes expenditure incurred in acquiring the inventories, cost of production or conversion and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Provision is made for obsolete and slow-moving items based on management's judgment.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Contingent liabilities

Contingent liabilities are not recognised/recorded in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

The Company as a lessee (continued)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and any impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Furniture, fixtures and equipment’ policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

Revenue recognition

Revenue is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Company recognizes revenue when it transfers control over goods or services to its customers.

The stand-alone selling prices are determined based on the observable price at which the Company sells the products and services on a standalone basis. For items that are not sold separately the Company estimates standalone selling prices using other methods.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Events after the reporting date

The financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are discussed on the financial statements when material.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgments and estimates

The preparation of the financial statements in compliance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Going concern

The Company's 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. The Company is dependent on financial support from its shareholders and the shareholders has committed to provide further financial support, when necessary, in order to enable the Company to continue as a going concern. Furthermore, except for the matter explained in note 1.2 to the financial statements, the management is not aware of any other 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 a going concern basis.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Shareholder Account

Management has considered the detailed criteria for the recognition of equity instrument in IAS 32: *Financial Instruments: Presentation*, and in particular whether the equity instrument i.e. shareholder account represents a residual interest in the assets of an entity after deducting all of its liabilities. Based on their assessment, management is satisfied that the recognition of the shareholder's account as an equity instrument is appropriate and is in the nature of equity.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimates

Impairment of tangible assets and estimated useful lives

The Company's management assess whether there are indicators to suspect that tangible have suffered impairment in accordance with accounting policies stated in Note 3. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

The Company's management determines as well the useful lives and related depreciation charge. The depreciation charge for the year will change significantly if actual life is different from the estimated useful life of the asset. Management has not made estimates of residual values for any items of property, plant and equipment at the end of their useful lives as these have been deemed to be insignificant.

Inventories

Inventories are stated at the lower of cost and net realisable value. Adjustments to reduce the cost of inventories to their realisable value are made at product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues. Based on the above factors, the Company has arrived at certain percentages for allowance for slow moving and obsolete inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

Cost of unfixed gold and scrap gold is determined on the basis of bullion rate prevailing as at the date of reporting and a corresponding liability towards suppliers is recorded at same amount for unfixed gold

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

Assessment as to whether the right-of-use assets are impaired

In estimating the recoverable amount of the right-of-use asset, the management have made assumptions about the achievable market rates for similar properties with similar lease terms.

Recoverability of key money

In order to be able to operate from key locations in Qatar, the Company has paid key money in case of some retail stores. The Company's management believes that it will be able to fully recover the amount of key money when they exit from the retail store premises and therefore does not expect any write-offs on account of key money. This will therefore not have any adverse impact on the Company's future profitability.

5. FURNITURE, FIXTURES AND EQUIPMENT

	Electrical equipment	Computer equipment	Furniture and fixtures	Motor vehicle	Total
	QR.	QR.	QR.	QR.	QR.
Costs:					
At March 31, 2022	1,312,252	712,484	12,914,325	258,264	15,197,325
Additions during the year	99,469	41,666	27,294	-	168,429
At March 31, 2023	1,411,721	754,150	12,941,619	258,264	15,365,754
Additions during the year	53,035	1,800	650,658	-	705,493
Disposal during the year	(641,211)	(3,000)	(2,916,557)	-	(3,560,768)
At March 31, 2024	**823,545**	**752,950**	**10,675,720**	**258,264**	**12,510,479**
Accumulated depreciation:					
At March 31, 2022	733,515	669,890	5,744,740	157,396	7,305,541
Charge for the year	141,190	19,947	759,859	25,864	946,860
At March 31, 2023	874,705	689,837	6,504,599	183,260	8,252,401
Charge for the year	103,956	33,214	701,189	33,389	871,748
Disposal during the year	(439,263)	(2,599)	(1,687,152)	-	(2,129,014)
At March 31, 2024	**539,398**	**720,452**	**5,518,636**	**216,649**	**6,995,135**
Carrying amounts:					
At March 31, 2024	**284,147**	**32,498**	**5,157,084**	**41,615**	**5,515,344**
At March 31, 2023	537,016	64,313	6,437,020	75,004	7,113,353
Depreciation rates	10%	33%	7%	10%	

6. RIGHT-OF-USE-ASSETS

The Company leases several retail shops. The average lease term is ranging between 2 years to 5 years.

	March 31, 2024	March 31, 2023
	QR.	QR.
Right-of-use assets:		
Opening	**49,661,476**	50,097,706
Additions	**6,636,748**	6,643,264
Deletion due to renewal	**(10,941,462)**	(7,079,494)
March 31,	**45,356,762**	49,661,476
Amortization:		
Opening	**3,383,976**	5,946,892
Charge for the year	**4,019,497**	4,516,578
Deletion due to renewal	**(3,691,462)**	(7,079,494)
March 31,	**3,712,011**	3,383,976
Net carrying amount	**41,644,751**	46,277,500

Amounts recognised in statement of profit and loss:

Amortization of right-of-use assets	**4,019,497**	4,516,578
Finance cost on lease liabilities (Note 14)	**233,575**	140,353

Amount recognised in statement of cash flows:

Amortization of right-of-use assets	**4,019,497**	4,516,578
Finance cost on lease liabilities (Note 14)	**233,575**	140,353
Principal element of lease payments	**3,864,468**	4,294,893

Right-of-use assets includes key money value amounted to QR 38,768,210 (2023: 43,081,210). This is refundable at termination of lease agreement therefore no depreciation charged to key money value.

7. INVENTORIES

	March 31, 2024	March 31, 2023
	QR.	QR.
Gold jewellery	**86,683,845**	90,595,633
Diamond jewellery	**24,104,486**	22,031,991
	110,788,331	112,627,624

8. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties, as defined in International Accounting Standard 24: Related *Party Disclosures*, include associate companies, major shareholders, directors and other key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

(a) Due to a related party

	Relationship	**March 31, 2024**	March 31, 2023
		QR.	QR.
Kalyan Jewellers LLC	Shareholder	**7,758,886**	7,524,894
		7,758,886	7,524,894

(b) Loan from a shareholder

	Relationship	**March 31, 2024**	March 31, 2023
		QR.	QR.
Kalyan Jewellers LLC	Shareholder	**99,351,319**	97,772,514
		99,351,319	97,772,514

Loan from shareholder pertains to funds received from Kalyan Jewellers LLC that were converted from partner's current account to shareholder loan during the year 2021. This loan carries interest at the rate of 6.25% (2023: 6.25%). The fair value of the loan approximates its carrying value as the loan is payable on demand and is short term.

(c) Transactions with related parties

During the year, the Company entered into the following transactions with related parties:

	March 31, 2024	March 31, 2023
	QR.	QR.
Finance costs	**7,758,886**	7,542,336
Administrative support fee (Note 17)	**312,000**	312,000

9. TRADE AND OTHER RECEIVABLES

	March 31, 2024 QR.	March 31, 2023 QR.
Trade receivables	**851,759**	1,060,737
Less: provision for doubtful debts	**(50,000)**	(223,854)
Total trade receivables	**801,759**	836,883
Advance to suppliers	**9,768,977**	229,234
Deposits	**294,580**	225,580
Prepaid expenses	**41,050**	42,548
Total other receivables	**10,104,607**	497,362
Total trade and other receivables	**10,906,366**	1,334,245

The average credit period on sales of goods is 30 days (2023: 30 days). The Company does not have any overdue balances as at the reporting date nor hold any collateral over these balances.

The Company always measures the loss allowance for account receivables at an amount equal to lifetime Expected Credit Losses (ECL) using the simplified approach. The expected credit losses on account 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.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period as compared to those made at March 31, 2023.

The Company writes off account receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, and when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

In determining the recoverability of account receivables, the Company considers any change in the credit quality of the account receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

The following table shows the movement in lifetime ECL that has been recognised for accounts receivable in accordance with the simplified approach set out in IFRS 9; all collectively assessed:

Movement in allowance for impairment of trade receivables:

	March 31, 2024 QR.	March 31, 2023 QR.
Balance as at April 1	**223,854**	10,255
Charge for the year	**-**	213,599
Amounts Written off	**(173,854)**	-
Balance as at March 31	**50,000**	223,854

10. CASH AND BANK BALANCES

	March 31, 2024	March 31, 2023
	QR.	QR.
Cash on hand	**499,267**	722,272
Bank balances	**7,233,645**	6,402,837
Margin deposit (1)	**5,600,468**	5,393,617
	13,333,380	12,518,726
Less: Margin deposit	**(5,600,468)**	(5,393,617)
Cash and cash equivalents	**7,732,912**	7,125,109

(1) Margin deposit represents deposited for obtaining the bank overdraft facility of QR 5,000,000.

Bank balances are assessed to have low credit risk of default since these banks are highly regulated by Qatar Central Bank and have high credit rating according to international credit agencies. Accordingly, management of the Company estimates the loss allowance on bank balances 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 bank, the management of the Company have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

11. EMPLOYEES' END OF SERVICE BENEFITS

	March 31, 2024	March 31, 2023
	QR.	QR.
Balance at April 1,	**424,095**	392,153
Provision for the year	**178,048**	74,225
Paid during the year	**(18,426)**	(42,283)
Balance at March 31,	**583,717**	424,095

12. BANK BORROWINGS

	March 31, 2024	March 31, 2023
	QR.	QR.
Bank overdraft	**3,109,197**	1,054,073
	3,109,197	1,054,073

Bank overdraft

The Company has an overdraft facility from a local bank of amount QR 5,000,000. As at the reporting, the unutilized facility amounts to QR 1,890,803 (2023: QR 3,945,927). This facility is obtained for managing working capital requirements of the Company and carries interest 6% (2023: 6%) per annum.

13. ACCRUED EXPENSES AND OTHER LIABILITIES

	March 31, 2024	March 31, 2023
	QR.	QR.
Advance from customers	**13,382,007**	11,874,263
Accrued expenses	**923,593**	710,015
	14,305,600	12,584,278

14. LEASE LIABILITIES

	March 31, 2024	March 31, 2023
	QR.	QR.
Opening balance	**3,244,874**	896,503
Addition	**3,636,748**	6,643,264
Interest expense on lease liabilities (Note 6)	**233,575**	140,353
Lease payments	**(4,098,043)**	(4,435,246)
	3,017,154	3,244,874

Maturity analysis of lease liabilities:

Not later than 1 year	**1,733,525**	1,299,658
Later than 1 year and not later than 5 years	**1,283,629**	1,945,216
	3,017,154	3,244,874

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

15. REVENUE

The Company derives its revenue from contracts with customers for sales of goods recognised at a point in time in the following major revenue line.

	March 31, 2024	March 31, 2023
	QR.	QR.
Revenue - point in time		
Sale of jewelry and ornaments	**200,516,280**	200,841,812
Discount on promotional sales	**(150)**	(3,020)
	200,516,130	200,838,792

All the above revenue of the Company have been derived from its operation in the State of Qatar. The Company has no business operations in other jurisdictions.

16. COST OF SALES

	March 31, 2024 QR.	March 31, 2023 QR.
Opening inventory balance (Note 7)	**112,627,624**	85,413,632
Purchases during the year	**158,996,719**	189,111,120
Other direct expenses	**10,279,765**	11,443,918
Goods available for sale	**281,904,108**	285,968,670
Ending inventory balance (Note 7)	**(110,788,331)**	(112,627,624)
Cost of goods sold	**171,115,777**	173,341,046

17. GENERAL AND ADMINISTRATIVE EXPENSES

	March 31, 2024 QR.	March 31, 2023 QR.
Salaries and staff benefits	**4,921,699**	4,349,262
Advertising and promotion	**2,610,232**	2,493,397
Rent	**723,600**	788,450
Communication and utilities	**653,378**	704,874
Administrative support fee	**312,000**	312,000
Bank charges and commission	**371,427**	196,514
Travelling	**143,320**	189,501
Repairs and maintenance	**187,323**	184,901
Recruitment expenses	**176,247**	139,543
Insurance	**99,507**	88,392
Printing, postage and courier	**56,500**	64,859
Staff refreshment	**54,299**	54,136
Office supplies	**93,983**	56,418
Professional fees	**298,285**	23,010
Net re-measurement of loss allowance	**(173,854)**	-
Other expenses	**705,092**	1,052,954
	11,233,038	10,698,211

18. INCOME TAX

	March 31, 2024 QR.	March 31, 2023 QR.
Current income tax		
Current income tax charge	**576,009**	397,866
Adjustments for prior year income tax	**19,997**	661,671
Income tax included in the statement of profit or loss	**596,006**	1,059,537

For the purpose of determining the taxable results for the year, the accounting profit of the companies were adjusted for tax purposes.

18. INCOME TAX (continued)

The tax reconciliation is presented as follows:

	March 31, 2024	March 31, 2023
	QR.	QR.
Profit before tax	**5,504,683**	3,632,619
Adjustments for:		
Provision for EOSB	**159,622**	74,225
Sponsorship fees to the parent	**138,146**	312,000
Deduction Amount of Qatari and Resident national GCC Country	**(42,358)**	(40,188)
Taxable income	**5,760,093**	3,978,656
Income tax @ 10%	**576,009**	397,866

19. FINANCIAL INSTRUMENTS

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. Financial assets comprise cash and bank balances, due from a related party, trade receivables and other debit balances. Financial liabilities comprise trade payables, due to a related party, loan from a related party, bank borrowings, lease liabilities and accrued expenses. Accounting policies for the financial assets and liabilities are set out in Note 3.

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value of financial instruments is not materially different from their carrying values.

	March 31, 2024		March 31, 2023	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	(QR)	**(QR)**	(QR)	(QR)
Trade receivables (Note 9)	**851,759**	**851,759**	1,060,737	1,060,737
Deposits and other receivables (Note 9)	**294,580**	**294,580**	225,580	225,580
Cash and bank balances (Note 10)	**13,333,380**	**13,333,380**	12,518,726	12,518,726
	14,479,719	**14,479,719**	13,805,043	13,805,043
Bank borrowings (Note 12)	**3,109,197**	**3,109,197**	1,054,073	1,054,073
Due to a related party (Note 8(a))	**7,758,886**	**7,758,886**	7,524,894	7,524,894
Loan from shareholder (Note 8(b))	**99,351,319**	**99,351,319**	97,772,514	97,772,514
Trade payables	**14,769,111**	**14,769,111**	22,882,209	22,882,209
Accrued expenses (Note 13)	**923,593**	**923,593**	710,015	710,015
Lease liabilities (Note 14)	**3,017,154**	**3,017,154**	3,244,874	3,244,874
	128,929,260	**128,929,260**	133,188,579	133,188,579

20. FINANCIAL RISK MANAGEMENT

The activities of the Company expose it to routine financial risks, including the effects of defaults by customers, movement in interest rates and liquidity. The Company's management seeks to minimize potential adverse effects on the financial performance of the Company by taking appropriate steps to address specific risk management areas, such as credit risk, interest rate risk, foreign currency and liquidity risk management.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at March 31, 2024, the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

In order to minimise credit risk, the Company has tasked its management to develop and maintain the Company's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the management uses other publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The tables below detail the credit quality of the Company's financial assets as well as the Company's maximum exposure to credit risk by credit risk rating grades:

March 31, 2024	**Note**	**12-month or lifetime ECL**	**Gross carrying**	**Loss allowance**	**Net carrying amount**
			QR.	**QR.**	**QR.**
Bank balances	10	12-month ECL	7,233,645	-	7,233,645
Margin deposits			5,600,468	-	5,600,468
Trade receivables	9	Lifetime ECL	851,759	(50,000)	801,759
Deposits	9	Lifetime ECL	294,580	-	294,580

March 31, 2023	Note	12-month or lifetime ECL	Gross carrying	Loss allowance	Net carrying amount
			QR.	QR.	QR.
Bank balances	10	12-month ECL	6,402,837	-	6,402,837
Margin deposits			5,393,617	-	5,393,617
Trade receivables	9	Lifetime ECL	1,060,737	(223,854)	836,883
Deposits	9	Lifetime ECL	225,580	-	225,580

20. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

For trade receivables and deposits, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL using the simplified approach. 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.

All trade receivables are current and no there is no overdue receivables as at 31^{st} March 2024.

Interest rate risk

Interest rate risk is the risk of changes in market interest rates affecting the overall return of the Company. The Company is exposed to interest rate risk as they have exposure in loans.

Interest rate sensitivity analysis

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

At March 31, 2024, the impact of changing the interest rates on borrowings by 50 basis point higher/lower with all other variables held constant on the profit for the year would have been QR. 484,300 (2023: 467,165) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Foreign currency risk

The Company undertakes certain transactions denominated in foreign currencies. There are no significant exchange rate risks as most of these transactions are in Arab Emirates Dirham (AED) and United States Dollar (USD) which is pegged to the Qatar Riyal (QR).

Liquidity risk

Liquidity risk represents the risk that the Company will not be able to settle its financial obligations due to cash and liquidity problems. Liquidity risk arises from the inability to collect payments from customers as and when they become due. The financial statements are prepared going concern basis which is dependent upon the continuous financial support by the Emirati partner to meet financial obligations of the Company when they fall due.

20. FINANCIAL RISK MANAGEMENT (continued)

Maturity profiles

The table below summarizes the maturity profile of the financial assets and financial liabilities of the Company with agreed repayment periods. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2024

	Up to a year	**1-5 years**	**Over 5 years**	**Total**
	QR.	**QR.**	**QR.**	**QR.**
Non – derivative financial assets				
Trade receivables	**851,759**	**-**	**-**	**851,759**
Deposits	**294,580**	**-**	**-**	**294,580**
Cash and bank balances	**13,333,380**	**-**	**-**	**13,333,380**
	14,479,719	**-**	**-**	**14,479,719**

March 31, 2024

	Up to a year	**1-5 years**	**Over 5 years**	**Total**
	QR.	**QR.**	**QR.**	**QR.**
Non – derivative financial liabilities				
Due to a related party	**7,758,886**	**-**	**-**	**7,758,886**
Loan from a shareholder	**99,351,319**	**-**	**-**	**99,351,319**
Trade payables	**14,769,111**	**-**	**-**	**14,769,111**
Accrued expenses	**923,593**	**-**	**-**	**923,593**
Bank overdraft	**3,109,197**	**-**	**-**	**3,109,197**
Lease liabilities	**1,733,525**	1,283,629	-	**3,017,154**
	127,645,631	**1,283,629**	**-**	**128,929,260**

March 31, 2023

	Up to a year	1-5 years	Over 5 years	Total
	QR.	QR.	QR.	QR.
Non – derivative financial assets				
Trade receivables	1,060,737	-	-	1,060,737
Deposits	225,580	-	-	225,580
Cash and bank balances	12,518,726	-	-	12,518,726
	13,805,043	-	-	13,805,043

20. FINANCIAL RISK MANAGEMENT (continued)

Maturity profiles (continued)

March 31, 2023 (continued)

	Up to a year	1-5 years	Over 5 years	Total
	QR.	QR.	QR.	QR.
Non – derivative financial liabilities				
Due to a related party	7,524,894	-	-	7,524,894
Loan from a shareholder	97,772,514	-	-	97,772,514
Trade payables	22,882,209	-	-	22,882,209
Accrued expenses	710,015	-	-	710,015
Bank overdraft	1,054,073	-	-	1,054,073
Lease liabilities	1,299,658	1,945,216	-	3,244,874
	131,243,363	1,945,216	-	133,188,579

21. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of shareholders' funds. The Company's overall strategy remains unchanged from the previous year.

The Company receive/provides funds from/(to) related parties for working capital requirement whenever required.

The capital structure of the Company consists of net debt and equity of the Company, comprising the borrowings, share capital, partner's current account net of accumulated loss.

22. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The below table details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes.

	At April 1, 2023	**Financing cash flows**	**Other changes**	**At March 31, 2024**
	QR.	**QR.**	**QR.**	**QR.**
Bank borrowings	**1,054,073**	**2,055,124**	**-**	**3,109,197**
Lease liabilities	**3,244,874**	**(4,098,043)**	**3,870,323**	**3,017,154**

	At April 1, 2022	Financing cash flows	Other changes	At March 31, 2023
	QR.	QR.	QR.	QR.
Bank borrowings	2,000,938	(946,865)	-	1,054,073
Lease liabilities	896,503	(4,435,246)	6,783,617	3,244,874

23. NON-CASH TRANSACTIONS

	March 31, 2024	March 31, 2023
	QR.	QR.
Settlement of loan against the partner's current	**-**	59,459,998

24. ANTI-MONEY LAUNDRY COMPLIANCE

The Company has appointed an independent external auditor to perform an independent assessment of the Company's compliance with the "Law No. (20) of 2019 on Anti-Money Laundering and Terrorist Financing" as required by the Ministry of Commerce and Industry "MOCI" for the period from July 1, 2019 till July 31, 2021. The report of the independent external auditor has identified certain areas of non-compliance with the "Law No. (20) of 2019 on Anti-Money Laundering and Terrorist Financing". Management is in the process of remediation of these non-compliances.

25. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorized by the partners for issue on July 15, 2024.