

**SKY SOUK JEWELLERY TRADING L.L.C
DUBAI**

UNITED ARAB EMIRATES

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

AS ON 31ST MARCH 2026

SUNTECH AUDITORS & CONSULTANTS

SKY SOUK JEWELLERY TRADING L.L.C
DUBAI, U.A.E.

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Ref No:- SAC/2026/189

The Shareholder,
SKY SOUK JEWELLERY TRADING L.L.C
DUBAI, U.A.E.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF SKY SOUK JEWELLERY TRADING L.L.C

Report on the Audit of financial statements

We have audited the accompanying financial statements of SKY SOUK JEWELLERY TRADING L.L.C, DUBAI, U.A.E. ("the Company"), which comprise the statement of financial position as at 31st March 2026, the statement of profit and loss and comprehensive income, the statement of cash flows and the statement of changes in equity for the period then ended and a summary of material accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31st March 2026, and of its financial performance and its cash flows for the period 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.

Other Matter

The audit has been conducted solely to assist the Group in the preparation of its consolidated financial statements. The scope of our work was limited to the procedures agreed with management for the purpose of verifying the financial information required for group consolidation. As this engagement was undertaken for a specific reporting objective, it does not constitute a statutory audit and may not provide sufficient evidence for any other purpose. Accordingly, this report is intended exclusively for the use of the Group management and the auditors responsible for the Group's consolidated financial statements and should not be used, circulated, or relied upon for any purpose other than that for which it was prepared.

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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the articles of association of the Company and UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of separate 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.

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.

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Auditors' Responsibilities for the Audit of the Financial Statements (Continuation)

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

Further, as required by the UAE Federal Law No. (32) of 2021, we report that for the period ended 31st March 2026, :

- i. The Company has maintained proper books of account;
- ii. We have obtained all the information and explanations we considered necessary for the purposes of our audit;
- iii. The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021, and the Article of Association of the Company;
- iv. The Company has not purchased or invested in any shares or stocks during the year;
- vi. Note 14 reflects material related party transactions and the terms under which they were conducted.
- vii. Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the period any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or of its Article of Association which would materially affect its activities or its financial position as at 31st March 2026.


SUNTECH AUDITORS & CONSULTANTS
Dubai, U.A.E.
Date:- 18th May, 2026



SKY SOUK JEWELLERY TRADING L.L.C
DUBAI, U.A.E.
STATEMENT OF FINANCIAL POSITION AS ON 31ST MARCH 2026
(All Figures are expressed in U.A.E. Dirhams)

Particulars	Note	31.03.2026
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	5	183,804
Right of Use Assets	6 (A)	769,953
Total Non-Current Assets		953,757
Current Assets		
Inventories	7	20,317,344
Trade and Other Receivables	8	6,761,798
Cash and Cash Equivalents	9	664,002
Total Current Assets		27,743,144
TOTAL ASSETS		28,696,901
EQUITY AND LIABILITIES		
Equity		
Share Capital	10	50,000
Statutory Reserve	11	25,000
Retained Profits	12	2,717,401
Total Equity Funds		2,792,401
Non Current Liabilities		
Lease Liabilities	6 (B)	364,833
Total Non Current Liabilities		364,833
Current Liabilities		
Lease Liabilities	6 (B)	333,733
Trade and Other Payables	13	3,740,676
Due to Related Parties	14 (B)	21,465,258
Total Current Liabilities		25,539,667
TOTAL EQUITY AND LIABILITIES		28,696,901

The accompanying notes from 1 to 24 form an integral part of these financial statements.
The Independent Auditors Report is set out on page 1 & 2.

I the undersigned, for and on behalf of SKY SOUK JEWELLERY TRADING L.L.C, approve these financials and confirm that we are responsible for them, including selecting material Notes to FS and making judgments' underlying them. We also confirm that we have made available all relevant accounting statements for their

For and on behalf of SKY SOUK JEWELLERY TRADING L.L.C


Authorized Signatory



SKY SOUK JEWELLERY TRADING L.L.C
DUBAI, U.A.E.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31ST MARCH 2026

(All Figures are expressed in U.A.E. Dirhams)

Particulars	Note	From 01.04.2025 To 31.03.2026
Revenue	4(A) & 15	126,278,326
Less: Cost of Revenue	16	(121,884,707)
Gross Profit		4,393,619
Depreciation on Property, Plant and Equipment	5	(11,283)
Amortization on Right of Use Asset	6	(263,762)
Administrative, Selling and Other Expenses	17	(980,350)
Net Profit From Operations		3,138,224
Finance Cost	18	(29,684)
Managerial Remuneration	14 (A)	(132,000)
Profit Before Tax		2,976,540
Tax Expense	19	(234,139)
Profit for the Year		2,742,401
Other Comprehensive Income		-
Total Comprehensive Profit for the Year		2,742,401

The accompanying notes from 1 to 24 form an integral part of these financial statements.
The Independent Auditors Report is set out on page 1 & 2.

I the undersigned, for and on behalf of SKY SOUK JEWELLERY TRADING L.L.C, approve these financials and confirm that we are responsible for them, including selecting material Notes to FS and making judgments' underlying them. We also confirm that we have made available all relevant accounting statements for their audit.

For and on behalf of SKY SOUK JEWELLERY TRADING L.L.C


Authorised Signatory



SKY SOUK JEWELLERY TRADING L.L.C
DUBAI, U.A.E.
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2026
(All Figures are expressed in U.A.E. Dirhams)

Particulars	31.03.2026
<u>Cash Flow from Operating Activities</u>	
Profit for the year	2,742,401
<u>Adjustments for:</u>	
Depreciation on Property Plant and Equipment	11,283
Amortization on Right of Use Asset	263,762
Interest on Lease Liability	29,684
Provision for Tax	234,139
Operating profit before changes in working capital	<u>3,281,269</u>
<u>Changes in Working Capital</u>	
Changes in Inventory	(20,317,344)
Changes in Trade and Other Receivables	(6,761,798)
Changes in Trade and Other Payables	3,506,537
Changes in Due to Related Parties	21,465,258
Net Cash flow from Operating Activities (A)	<u>1,173,922</u>
<u>Cash Flow from Investment Activities</u>	
Purchase of Property, Plant and Equipment	(195,087)
Net Cash (Used in) Investing Activities (B)	<u>(195,087)</u>
<u>Cash Flow from Financing Activities</u>	
Capital Introduced	50,000
Payment of Lease Liability	(364,833)
Net Cash (Used in) Financing Activities (C)	<u>(314,833)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	<u>664,002</u>
Cash and Cash Equivalents at beginning of the year	-
Cash and Cash Equivalents at end of the year	664,002
Net Increase in Cash and Cash Equivalents	<u>664,002</u>

Cash Flow includes unfixed metal balances also

The accompanying notes from 1 to 24 form an integral part of these financial statements.
The Independent Auditors Report is set out on page 1 & 2.



SKY SOUK JEWELLERY TRADING L.L.C
DUBAI, U.A.E.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31ST MARCH 2026

(All Figures are expressed in U.A.E. Dirhams)

	Share Capital	Statutory Reserve	Retained Profits	Total
Capital Introduced	50,000	-	-	50,000
<u>Changes in Shareholders' Equity</u>				
a. Net Profit for the Year	-	-	2,742,401	2,742,401
b. Transferred to Statutory Reserve	-	25,000	(25,000)	-
c. Net Movements	-	-	-	-
As on 31.03.2026	50,000	25,000	2,717,401	2,742,401

The accompanying notes from 1 to 24 form an integral part of these financial statements.
The Independent Auditors Report is set out on page 1 & 2.



SKY SOUK JEWELLERY TRADING L.L.C
DUBAI, U.A.E.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026
(All figures are expressed in U.A.E Dirhams)

1 Legal Status and Business Activities

- a. SKY SOUK JEWELLERY TRADING L.L.C-United Arab Emirates ("Company") is incorporated as a Limited Liability Company (L.L.C.) and operates in the United Arab Emirates under the trade license issued by the Dubai Economy and Tourism Department, Government of Dubai, U.A.E.
- b. The activities of the company, as per the trade license, include watches, clocks, and spare parts trading; trading of jewellery and accessories made of gold, silver, diamonds, pearls, and precious stones; trading of raw gold and precious metals; and used jewellery trading.
- c. The registered office of the company is located at Office 403,4th Floor, Hind Plaza No. 10, Deira, Dubai, United Arab Emirates.
- d. The management and control are vested with Mr.Darshan Ramesh Chauhan, Indian National.
- e. These financial statements include the operating results of the primary trade license No. 1519195.

f. Share Capital

Authorized, issued and paid up capital of the Company is AED 50,000 divided into 50 shares of AED 1,000 each fully paid. The break-up of the shareholding is as follows:

Shareholding of the Company

Shareholders	Nationality	Share Capital %	Profit Sharing Ratio %
Sky Gold And Diamonds Limited	India	100%	100%
		<u>100%</u>	<u>100%</u>

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.



SKY SOUK JEWELLERY TRADING L.L.C
DUBAI, U.A.E.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026
(All figures are expressed in U.A.E Dirhams)

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

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 January 2025.

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2025, 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 applied with no material effect

Lack of Exchangeability (Amendments to IAS 21)

The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendment does not have a material impact on the financial statements.

New and revised IFRS in issue but not yet effective

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 Climate-related Disclosures

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.



SKY SOUK JEWELLERY TRADING L.L.C
DUBAI, U.A.E.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026
(All figures are expressed in U.A.E Dirhams)

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

The IASB's May 2024 amendments to IFRS 9 and IFRS 7 refine the classification and measurement of financial instruments by clarifying that financial liabilities are derecognised on the settlement date (with an optional policy choice for certain electronic payments), providing guidance on assessing contractual cash flows for instruments with ESG-linked features, and clarifying the meaning of non-recourse features and contractually linked instruments. The amendments also introduce new disclosure requirements for contingent features in financial instruments and expand disclosures for equity instruments measured at FVOCI.

Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The IASB's December 2024 amendments to IFRS 9 and IFRS 7 address contracts that reference nature-dependent electricity, clarifying how the 'own-use' exemption applies to such arrangements and revising the designation requirements for hedged items in cash flow hedges. The amendments also introduce new disclosures to help users understand how these contracts affect an entity's financial performance and cash flows.

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

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.



SKY SOUK JEWELLERY TRADING L.L.C
DUBAI, U.A.E.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026
 (All figures are expressed in U.A.E Dirhams)

4 Material accounting policies (Continuation)

a. Revenue Recognition (Continuation)

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.

Other Income

Other income is recognized when the Company's right to receive payments is established.

b. Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Historical 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. All other repairs and maintenance expenses are charged to the profit or loss in the period in which they are incurred.

Depreciation is calculated using the straight-line method over their estimated useful lives as follows:

Asset	Useful Life
Interior	10 Years
Motor Vehicles	8 Years
Office Equipments	5 Years
Computers and Softwares	3 Years

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.



SKY SOUK JEWELLERY TRADING L.L.C
DUBAI, U.A.E.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026
(All figures are expressed in U.A.E Dirhams)

4 Material accounting policies (Continuation)

b. Property, Plant and Equipment (Continuation)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Assets in the course of construction are carried at cost as capital work in progress, and are transferred to property, plant or equipment when commissioned. No depreciation is charged on such assets until asset is ready for use.

c. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

d. Inventories

The inventories of gold are valued at the net realizable value (NRV) prevailing at the balance sheet date. The value of unfixed gold from customers is determined based on the NRV as of the reporting date, with a corresponding liability recorded towards suppliers for the same rate. As of the current year, the rate for Gold is GOZ \$4667.87.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.



SKY SOUK JEWELLERY TRADING L.L.C
DUBAI, U.A.E.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026
(All figures are expressed in U.A.E Dirhams)

4 Material accounting policies (Continuation)

e. 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 the statement of profit or loss.

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

(i) Debt instruments designated at amortised 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.

(ii) Debt instrument designated at other comprehensive income

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).



SKY SOUK JEWELLERY TRADING L.L.C
DUBAI, U.A.E.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026
(All figures are expressed in U.A.E Dirhams)

4 Material accounting policies (Continuation)

e. Financial Instruments (Continuation)

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

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 and at FVTOCI. 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.

Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).



SKY SOUK JEWELLERY TRADING L.L.C
DUBAI, U.A.E.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026
(All figures are expressed in U.A.E Dirhams)

4 Material accounting policies (Continuation)

e. Financial Instruments (Continuation)

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

The Company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables, contract assets, as well as on financial guarantee contracts. 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.



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4 Material accounting policies (Continuation)

e. Financial Instruments (Continuation)

The Company always recognises lifetime ECL for trade receivables, contract assets and lease receivables. 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-month 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-month 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.

(i) Significant increase in credit risk

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.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

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:

- The financial instrument has a low risk of default,
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- 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.



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4 Material accounting policies (Continuation)

e. Financial Instruments (Continuation)

(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 guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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.



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4 Material accounting policies (Continuation)

e. Financial Instruments (Continuation)

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 investment 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 or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the statement profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch statement of in profit or loss. The remaining amount of change in the fair value of liability is recognised in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in statement of other comprehensive income are not subsequently reclassified to statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.



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4 Material accounting policies (Continuation)

e. Financial Instruments (Continuation)

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.

f. Impairment of tangible assets

At the end of each reporting period, 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. Where 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.

Recoverable amount is the higher of fair value less costs to sell 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 for which the estimates of future cash flows have not been adjusted.

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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the separate statement of profit or 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.



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4 Material accounting policies (Continuation)

h. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the separate statement of comprehensive income in the period in which they are incurred.

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.

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

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

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 Arab Emirates Dirhams which is the functional currency of the Company and the presentation currency for these financial statements.



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4 Material accounting policies (Continuation)

k. Foreign Currency Transactions (Continuation)

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. Employee's End of Service Indemnity

An accrual is made for the estimated liability for employees' entitlement to annual leave passage as a result of services rendered by eligible employees up to the end of the year.

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

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.



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4 Material accounting policies (Continuation)

o. Leases

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;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- 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); and
- 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.

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, including key money paid. They are subsequently measured at cost less accumulated depreciation and impairment losses.



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4 Material accounting policies (Continuation)

o. Leases (Continuation)

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 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the statement of profit or loss.

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.

p. Corporate Income Tax

Corporate Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the company operates and generates taxable income.

On 9 December 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 was applicable for accounting periods beginning on or after 1 June 2023 and the current tax year for the Entity is April 01, 2025 to March 31, 2026.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% could be applied to taxable income not exceeding AED 375,000 to certain types of entities prescribed by way of a Cabinet Decision.



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4 Material accounting policies (Continuation)

q. Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

- r.** All the figures are in UAE Dirham and have been rounded off to the nearest Dirham.



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5 Property, Plant and Equipment

Particulars	Interior	Computer & Software	Office Equipments	Motor Vehicles	Total
COST					
As at 01.04.2025	-	-	-	-	-
Additions for the year	57,238	55,697	32,152	50,000	195,087
Disposed off during the year	-	-	-	-	-
As at 31.03.2026	57,238	55,697	32,152	50,000	195,087
ACCUMULATED DEPRECIATION					
As at 01.04.2025	-	-	-	-	-
Provided for the year	2,831	4,074	3,268	1,110	11,283
On disposals during the year	-	-	-	-	-
As at 31.03.2026	2,831	4,074	3,268	1,110	11,283
Net value 31.03.2026	54,407	51,623	28,884	48,890	183,804
Net value 31.03.2025	-	-	-	-	-

In the opinion of the management there is no impairment in the value of Property Plant and Equipment. Hence, the carrying values of the property plant and equipment at reporting date are same as their net book values.



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6 Right of Use Asset & Lease Liability **31.03.2026**

A Right of Use Asset

Balance at beginning of the Year	-
Add: Additions during the Year	1,033,715
Less: Amortization during the Year	(263,762)
Balance at end of the Year	<u>769,953</u>

B Lease Liability

Balance at beginning of the Year	-
Add: Addition during the Year	1,033,715
Add: Interest during the Year	29,684
Less: Payment during the Year	(364,833)
Balance at end of the Year	<u>698,566</u>

Presented on Statement of Financial Position as follows:

Non Current Lease Liability (payable after one year)	364,833
Current Lease Liability (payable within one year)	333,733

7 Inventories*

Stock in Hand	20,317,344
	<u>20,317,344</u>

*Inventories have been managed at Office 403,4th Floor, Hind Plaza No. 10, Deira, Dubai, United Arab Emirates.

8 Trade and Other Receivables

Trade Receivables*#	6,642,841
Deposits	44,387
Prepayments	36,871
Other Receivables	37,698
	<u>6,761,798</u>

As per management trade receivables are fully realizable.

* It is net of currency and metal balances

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.



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8 Trade and Other Receivables (Continuation)

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.

9 Cash and Cash Equivalents

31.03.2026

Cash on Hand

6,326

Bank balances in*:

Current accounts

657,676

664,002

*Subject to bank confirmations. However, the same were verified from the bank statements.

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.

10 Share Capital

Authorized, issued and subscribed capital
50 shares of AED 1,000 each

50,000

11 Statutory Reserve

In accordance with the Article 103 of UAE Federal Decree-Law no. (32) of 2021, a minimum of 5% of the net profit of the Company is to be allocated annually to a non distributable statutory reserve. Such allocations may be ceased when the statutory reserve becomes equal to half of the share capital. This reserve is not available for distribution except in the circumstances stipulated by the Law. An amount of AED 25,000 has been transferred to the statutory reserve account.



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12 Retained Earnings	31.03.2026
Balance at beginning of the Year	-
Add: Profit during the Year	2,742,401
Less: Transferred to Statutory Reserve	(25,000)
Less: Dividend Declared during the Year	-
Balance at end of the Year	<u>2,717,401</u>
13 Trade and Other Payables	
Trade Payables*	3,373,292
Other Payables	133,245
Provision for Tax (Refer note 19)	234,139
	<u>3,740,676</u>

* It is net of currency and metal balances.

14 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.

Significant Related Parties identified during the year are as follows:

S.No	Name	Nationality	Nature of Relation	Legal Ownership %
1)	Sky Gold And Diamonds Limited	India	Shareholder of the Company	100%
2)	Sparkling Chains Private Limited	India	Common Control	100%
2)	Mr.Darshan Ramesh Chauhan	India	Manager	-



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026
(All figures are expressed in U.A.E Dirhams)

14 Related Party Transactions (Continuation)

(a) Significant Related Party balances as at reporting date were as follows:

<u>Due to Related Party*</u>	31.03.2026
Sky Gold And Diamonds Limited	21,465,258
	<u>21,465,258</u>

* It is net of currency and metal balances.

(b) Significant Related Party transactions during the year were as follows:

Purchases:

Sky Gold And Diamonds Limited	92,043,635
Sparkling Chains Private Limited	5,993,186

Consultancy Charges:

Sky Gold And Diamonds Limited	36,740
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Mr.Darshan Ramesh Chauhan

Managerial Remuneration	132,000
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15 Revenue

Revenue*	126,278,326
	<u>126,278,326</u>

*Revenue from the sale of precious metal and jewellery is recognized, when entity has delivered the products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. Revenue is net of sales and sales return and discount.

16 Cost of Revenue

Inventories at beginning of the year	-
Add: Purchases and Direct Expenses	142,202,051
Less: Inventories at the end of the year	(20,317,344)
	<u>121,884,707</u>



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17 Administrative, Selling and Other Expenses	31.03.2026
Salaries and Other Benefits	421,012
Rent Expenses	78,341
Office Expenses	71,813
Trade License fee	79,428
Legal & Professional Charges	194,759
Repairs And Maintenance	5,017
Travelling Expenses	8,130
Security Expenses	20,133
Utility Expenses	17,573
Other Expenses	81,173
Bank Charges	2,971
	<u>980,350</u>
18 Finance Cost	
Interest on Lease Liability	29,684
	<u>29,684</u>
19 Tax Expense	
Profit / (Loss) Before Tax	2,976,540
Add: Disallowed Expenses	-
Less: Income Subject to Tax at 0%	(375,000)
Taxable Income	<u>2,601,540</u>
Tax @ 9% on Taxable Income	234,139
Movement in Tax Provision	
Balance at beginning of the Year	-
Less: Payment during the Year	-
Add/(Less): Adjustment for prior tax year	-
Add: Provision during the Year	234,139
Balance at end of the Year	<u><u>234,139</u></u>
20 Financial risk management	

The Company's overall financial risk management program seeks to minimise potential adverse effects to the financial performance of the Company. The management provides principles for overall financial risk management and policies covering specific areas, such as market risk including foreign exchange risk and interest rate risk, credit risk, and liquidity risk.

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

Market risk
Credit risk
Liquidity risk



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(All figures are expressed in U.A.E Dirhams)

20 Financial risk management (Continuation)

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.

(ii) Interest Rate Risk

The Company is not exposed to any interest rate risk.

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.

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.

The company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonable be predicted, such as natural disasters.

21 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.



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22 Contingent Liabilities and Capital Commitments

There has been no known contingent liability or capital commitment on Entity's Financial Statement as of reporting date.

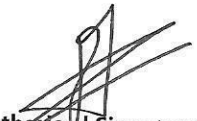
23 Comparative Figures

The financial statements have been prepared for the first year of operations; accordingly, no comparative figures for the previous year are presented.

24 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 and on behalf of **SKY SOUK JEWELLERY TRADING L.L.C**


Authorised Signatory

