

**JAIN IKON GLOBAL VENTURE FZC  
SHARJAH**

**UNITED ARAB EMIRATES**

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

**AS ON 30TH SEPTEMBER, 2024**

**SUNTECH AUDITORS & CONSULTANTS**

**JAIN IKON GLOBAL VENTURE FZC  
SHARJAH, U.A.E.**

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Ref No:- SAC/2023/304

The Shareholders,  
**JAIN IKON GLOBAL VENTURE FZC**  
**DUBAI - U.A.E.**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JAIN IKON GLOBAL VENTURE FZC**

**Report on the Audit of financial statements**

We have audited the accompanying financial statements of JAIN IKON GLOBAL VENTURE FZC, SHARJAH- U.A.E., which comprise the statement of financial position as at 30th September 2024, 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 significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of JAIN IKON GLOBAL VENTURE FZC, SHARJAH- U.A.E as of 30th September 2024, 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.

**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 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.

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### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

### **Report on Other Legal and Regulatory Requirements**

We further confirm that we have obtained all information and explanations necessary for our audit and that proper financial records have been maintained by the company in accordance with provisions of implementation procedures of the Free Zone Company issued by now or in future for Sharjah Airport International Freezone (SAIF) Authority. To the best of our knowledge and belief no violations of said regulations have occurred which would have had a material effect on the business of the company or on its financial position.

  
**SUNTECH AUDITORS & CONSULTANTS**  
Dubai, U.A.E.  
Date:- 17<sup>th</sup> December, 2024





**JAIN IKON GLOBAL VENTURE FZC**  
**SHARJAH, U.A.E.**  
**STATEMENT OF FINANCIAL POSITION AS ON 30TH SEPTEMBER, 2024**  
(All Figures are expressed in U.A.E. Dirhams)

|                                      | Note | 30.09.2024         |
|--------------------------------------|------|--------------------|
| <b>ASSETS</b>                        |      |                    |
| <b>Non-Current Assets</b>            |      |                    |
| Property, Plant and Equipment        | 5    | 2,372,216          |
| Right of Use Asset                   | 6    | 1,602,284          |
| <b>Total Non-Current Assets</b>      |      | <b>3,974,500</b>   |
| <b>Current Assets</b>                |      |                    |
| Inventories                          | 7    | 30,380             |
| Trade and Other Receivables          | 8    | 16,623,059         |
| Advance, Deposit and Prepayments     | 9    | 42,118             |
| Cash and Cash Equivalents            | 10   | 6,592,968          |
| Other Current Assets                 | 11   | 65,804             |
| <b>Total Current Assets</b>          |      | <b>23,354,329</b>  |
| <b>TOTAL ASSETS</b>                  |      | <b>27,328,829</b>  |
| <b>EQUITY AND LIABILITIES</b>        |      |                    |
| <b>Equity</b>                        |      |                    |
| Share Capital                        |      | 150,000            |
| Accumulated Loss                     |      | (2,262,501)        |
| <b>Total Equity Funds</b>            |      | <b>(2,112,501)</b> |
| <b>Non Current Liabilities</b>       |      |                    |
| Financial Liabilities                | 12   | 27,214,563         |
| Lease Liability                      | 13   | 1,404,943          |
| <b>Total Non Current Liabilities</b> |      | <b>28,619,506</b>  |
| <b>Current Liabilities</b>           |      |                    |
| Financial Liabilities                | 12   | 851                |
| Lease Liability                      | 13   | 268,358            |
| Trade and Other Payables             | 14   | 552,615            |
| <b>Total Current Liabilities</b>     |      | <b>821,824</b>     |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | <b>27,328,829</b>  |

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

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

**For JAIN IKON GLOBAL VENTURE FZC**

**MANAGER**



**JAIN IKON GLOBAL VENTURE FZC  
SHARJAH, U.A.E.**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE  
PERIOD FROM 26TH DECEMBER, 2023 TILL 30TH SEPTEMBER, 2024**

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

|  | Note  | From<br>26.12.2023<br>To<br>30.09.2024 |
|--|-------|--|
| Sales  | 16    | 11,520                                 |
| Less: Cost of Sales  | 17    | (153,032)                              |
| <b>Gross (Loss)</b>  |       | <b>(141,512)</b>                       |
| Salaries and Other Benefits  | 19    | (263,238)                              |
| Administrative, Selling and Other Expenses   | 20    | (798,650)                              |
| Finance Cost   | 21    | (558,231)                              |
| Depreciation on Property, Plant and Equipment  | 5     | (49,477)                               |
| Depreciation on Right of Use Asset   | 6     | (290,194)                              |
| <b>Net (Loss) from Operations</b>  |       | <b>(2,101,302)</b>                     |
| Other Income   | 18    | 13,801                                 |
| Managerial Remuneration  | 15(b) | (175,000)                              |
| <b>Net (Loss) for the Period</b>   |       | <b>(2,262,501)</b>                     |
| <b>Other Comprehensive Income</b>  |       |  |
| <i>Items that may be subsequently reclassified to profit or loss:</i>                |       |  |
| Net other Comprehensive Income to be reclassified subsequently to profit or loss     |       | -                                      |
| <i>Items that may not be subsequently reclassified to profit or loss:</i>            |       |  |
| Net other Comprehensive Income not to be reclassified subsequently to profit or loss |       | -                                      |
| <b>Total Comprehensive Loss for the Period</b>                                       |       | <b>(2,262,501)</b>                     |

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

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

**For JAIN IKON GLOBAL VENTURE FZC**

**MANAGER**



**JAIN IKON GLOBAL VENTURE FZC**  
**SHARJAH, U.A.E.**  
**STATEMENT OF CASH FLOW FOR THE FROM 26TH DECEMBER, 2023 TILL 30TH**  
**SEPTEMBER, 2024**

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

|   |                |  |
|---|----------------|--|
|   |                | From<br>26.12.2023<br>To<br>30.09.2024 |
| <b><u>Cash Flow from Operating Activities</u></b>       |                |  |
| Net (Loss) for the Period                               |                | (2,262,501)                            |
| <b><u>Adjustments for:</u></b>                          |                |  |
| Depreciation on Property Plant and Equipment            |                | 49,477                                 |
| Depreciation on Right of Use Asset                      |                | 290,194                                |
| Interest on Lease Liability                             |                | 80,823                                 |
| <b>Operating Loss before changes in working capital</b> |                | <b><u>(1,842,007)</u></b>              |
| <b><u>Changes in Working Capital</u></b>                |                |  |
| Changes in Inventory                                    |                | (30,380)                               |
| Changes in Trade and Other Receivables                  |                | (16,623,059)                           |
| Changes in Advances, Deposits and Prepayments           |                | (42,118)                               |
| Changes in Other current assets                         |                | (65,804)                               |
| Changes in Trade and other payable                      |                | 552,615                                |
| <b>Net Cash Used in Operating Activities</b>            | <b>a</b>       | <b><u>(18,050,753)</u></b>             |
| <b><u>Cash Flow from Investment Activities</u></b>      |                |  |
| Purchase of Property, Plant and Equipment               |                | (2,421,693)                            |
| <b>Net Cash Used in Investment Activities</b>           | <b>b</b>       | <b><u>(2,421,693)</u></b>              |
| <b><u>Cash Flow from Financing Activities</u></b>       |                |  |
| Proceeds from borrowings                                |                | 27,215,414                             |
| Payment of Lease Liability                              |                | (300,000)                              |
| Share Capital Introduced                                |                | 150,000                                |
| <b>Net Cash flow from Financing Activities</b>          | <b>c</b>       | <b><u>27,065,414</u></b>               |
| <b>Net Increase in Cash and Cash Equivalents</b>        | <b>(a+b+c)</b> | <b><u>6,592,968</u></b>                |
| Cash and Cash Equivalents at beginning of the year      |                | -                                      |
| Cash and Cash Equivalents at end of the year            |                | 6,592,968                              |
| <b>Net Increase in Cash and Cash Equivalents</b>        |                | <b><u>6,592,968</u></b>                |

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



**JAIN IKON GLOBAL VENTURE FZC**  
**SHARJAH, U.A.E.**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30TH**  
 (All Figures are expressed in U.A.E. Dirhams)

|   | Share Capital  | Accumulated<br>(Loss) | Total              |
|---|----------------|-----------------------|--------------------|
| <b><u>Changes in Shareholders' Equity</u></b> |                |                       |                    |
| a. Share Capital Introduced                   | 150,000        | -                     | 150,000            |
| b. Net (Loss) for the Period                  | -              | (2,262,501)           | (2,262,501)        |
| <b>As on 30.09.2024</b>                       | <b>150,000</b> | <b>(2,262,501)</b>    | <b>(2,112,501)</b> |

The accompanying notes form an integral part of these financial statements.  
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**JAIN IKON GLOBAL VENTURE FZC**  
**SHARJAH, U.A.E.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER, 2024**  
 (All figures are expressed in U.A.E Dirhams)

**1. Legal Status and Business Activities**

a. JAIN IKON GLOBAL VENTURE FZC -United Arab Emirates ("Company") is incorporated as a Free Zone Company with Limited Liability and operates in the United Arab Emirates under an industrial license issued by the Sharjah Airport International Free Zone, Government of Sharjah, U.A.E.

b. The main activities of the Company as per trade license are Gold and Precious Metal Refinery, Precious Metal Jewellery and Manufacturing.

c. The registered office of the company is located at 400 M2 Warehouse A2-027, A2-028, A2-029 Sharjah - U.A.E

d. The management and control are vested with Mr. Raghuram Chaluvadi Chaluvadi Suryaprakasa Rao.

e. These financial statements incorporate the operating results of the industrial license No: 24198.

**f. Share Capital**

Authorized, issued and paid up capital of the Company is AED 150,000 divided into 100 shares of AED 1500 each fully paid. The break-up of the shareholding is as follows:

**Shareholding of the Company**

| Shareholders                                 | Nationality | Share Capital % | No of Shares |
|--|-------------|-----------------|--------------|
| M/s. Jain Resource Recycling Private Limited | India       | 51%             | 51           |
| M/s. Ikon Square Limited                     | UAE         | 47%             | 47           |
| Mr. Atul Pareek                              | India       | 2%              | 2            |
|  |             | <b>100%</b>     | <b>100</b>   |

**Note:** On 16th May, 2024, one of the shareholder M/s Ikon Square Limited has sold part of his shares representing 47% of the total share capital of the company including his share in profit to M/s. Jain Resource Recycling Private Limited. As a result the above mentioned share holding will be applicable henceforth.

**Shareholding pattern till 15th May, 2024**

| Shareholders             | Nationality | Share Capital % | No of Shares |
|--------------------------|-------------|-----------------|--------------|
| M/s. Ikon Square Limited | UAE         | 98%             | 98           |
| Mr. Atul Pareek          | India       | 2%              | 2            |
|                          |             | <b>100%</b>     | <b>100</b>   |



**JAIN IKON GLOBAL VENTURE FZC**  
**SHARJAH, U.A.E.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER, 2024**  
 (All figures are expressed in U.A.E Dirhams)

**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.

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

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

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

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

**New and revised IFRS**

IFRS 17 Insurance Contracts

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

Definition of Accounting Estimates – Amendments to IAS 8

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

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

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

**b) New and amended IFRSs in issue but not yet effective and not early adopted**

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





**JAIN IKON GLOBAL VENTURE FZC**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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 (All figures are expressed in U.A.E Dirhams)

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

**New and revised IFRSs**

Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

IFRS S1\*\* General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2\*\* Climate-related Disclosures

Lack of Exchangeability – Amendments to IAS 21

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

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

**4. Material accounting policies**

**a. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable for the sale of goods and services rendered in the ordinary course of the company's activities. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

**Sale of goods**

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

- the performance obligation has been satisfied by the Company;
- the Company has transferred control of the goods to the customer;
- the Company has transferred the significant risks and rewards related to the ownership of the goods to the customer;
- the Company has a present right to payment for the goods delivered;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;



**JAIN IKON GLOBAL VENTURE FZC**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. Material accounting policies (Continuation)**

**a. Revenue Recognition (Continuation)**

- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Interest Income**

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

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

**b. Property, Plant and Equipment**

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

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

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

| Assets                         | Rate |
|--------------------------------|------|
| Computers and Office equipment | 20%  |
| Furniture and Fixtures         | 20%  |
| Motor vehicles                 | 10%  |
| Plant and Machinery            | 15%  |

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

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

**c. Intangible Assets**

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

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





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**4. Material accounting policies (Continuation)**

**c. Intangible Assets (Continuation)**

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

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

An intangible asset shall be measured initially at cost.

**d. Inventories**

- Inventories of gold have been valued at cost or net realizable value whichever is lower.

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

-The cost of diamond jewellery and other precious stone jewellery are determined based on the specific identification method.

**e. Trade Receivables**

i. Trade receivables are carried at anticipated realizable value.

ii. Provision is made for doubtful receivables based on a review of all the outstanding amounts at the year end.

iii. Bad debts are written off during the year in which they arise.

**f. Impairment**

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

**g. Cash and Cash Equivalents**

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

**h. Short Term Borrowings**

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



**JAIN IKON GLOBAL VENTURE FZC**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER, 2024**  
 (All figures are expressed in U.A.E Dirhams)

**4. Material accounting policies (Continuation)**

**h. Short Term Borrowings (Continuation)**

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

**i. Value Added Tax**

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

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

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

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

**j. Critical Accounting Estimates and Judgments**

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

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

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

**k. Foreign Currency Transactions**

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

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

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

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





**JAIN IKON GLOBAL VENTURE FZC**  
**SHARJAH, U.A.E.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. Material accounting policies (Continuation)**

**I. 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 gratuity as a result of change in accounting policy based on the services rendered by eligible employees up to the end of the year whereas gratuity has been paid on cash basis till last 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.

**o. Leases**

**Company as a lessee**

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



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**4. Material accounting policies (Continuation)**

**o. Leases (Continuation)**

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

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

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

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

**p. Corporate Income Tax**

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

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

The Company is subject to Corporate tax assessment during the current year as required by law.

**q. First Financial Year**

The first financial year shall commence in November 2023 pursuant to the registration of the Free Zone Company and will end in March 2025. The successive financial years shall be of 12 months duration ending in March every year.

The management has decided to audit for the period from 26th December, 2023 till 30th September, 2024 for the stakeholder's purpose.

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                     | Furniture and<br>Fixtures | Computers and<br>Office<br>Equipments | Motor Vehicles | Plant and<br>Machinery | Total            |
|---------------------------------|---------------------------|---------------------------------------|----------------|------------------------|------------------|
| <b>COST</b>                     |                           |                                       |                |                        |                  |
| As at 01.10.2023                | -                         | -                                     | -              | -                      | -                |
| Additions for the Period        | 583,416                   | 59,520                                | 195,047        | 1,583,710              | 2,421,693        |
| Disposed off during the Period  | -                         | -                                     | -              | -                      | -                |
| <b>As at 30.09.2024</b>         | <b>583,416</b>            | <b>59,520</b>                         | <b>195,047</b> | <b>1,583,710</b>       | <b>2,421,693</b> |
| <b>ACCUMULATED DEPRECIATION</b> |                           |                                       |                |                        |                  |
| As at 01.10.2023                | -                         | -                                     | -              | -                      | -                |
| Provided for the Period         | 17,257                    | 3,069                                 | 1,651          | 27,500                 | 49,477           |
| Reversal during the Period      | -                         | -                                     | -              | -                      | -                |
| <b>As at 30.09.2024</b>         | <b>17,257</b>             | <b>3,069</b>                          | <b>1,651</b>   | <b>27,500</b>          | <b>49,477</b>    |
| <b>Net value 30.09.2024</b>     | <b>566,159</b>            | <b>56,451</b>                         | <b>193,396</b> | <b>1,556,210</b>       | <b>2,372,216</b> |

\* In the opinion of the management there is no impairment in the value of fixed assets. Hence, the carrying values of the fixed assets at reporting date are same as their net book values.



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**6. Right of Use Asset**

|                                      |                  |
|--------------------------------------|------------------|
| Opening Balance                      | -                |
| Add: Addition during the period      | 1,892,478        |
| Less: Depreciation during the period | (290,194)        |
| Closing Balance                      | <u>1,602,284</u> |

**7. Inventories**

|               |               |
|---------------|---------------|
| Stock in Hand | 30,380        |
|               | <u>30,380</u> |

**8. Trade and Other Receivables**

|                       |                   |
|-----------------------|-------------------|
| Trade Receivables     | 12,096            |
| Security deposit*     | 16,170,693        |
| Advances to Suppliers | 440,270           |
|                       | <u>16,623,059</u> |

\* The company has entered into an agreement with Ikon Global DMCC to perform the refining work and to return refined gold. The company has to deposit a sum equal to the maximum value of gold bars supplied. The deposit is intended to cover any losses during the refining process. No interest is charged or accrued on such deposit.

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

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

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**9. Advance, Deposits and Prepayments**

|                  |               |
|------------------|---------------|
| Prepaid expenses | 42,118        |
|                  | <u>42,118</u> |



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|                                      | 30.09.2024       |
|--------------------------------------|------------------|
| <b>10. Cash and Cash Equivalents</b> |                  |
| Cash on Hand                         | 4,221            |
| <b>Bank balances in:</b>             |                  |
| Current accounts                     | 1,083,747        |
| Fixed Deposits                       | 5,505,000        |
|                                      | <b>6,592,968</b> |

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.

|                                     | 30.09.2024    |
|-------------------------------------|---------------|
| <b>11. Other Current Assets</b>     |               |
| Balance with Government authorities | 52,003        |
| Interest Accrued                    | 13,801        |
|                                     | <b>65,804</b> |

**12. Financial Liabilities**

**Long Term Borrowings\***

|                        |            |
|------------------------|------------|
| Loan from Shareholders | 27,214,563 |
|------------------------|------------|

**Short Term Borrowings^**

|                         |     |
|-------------------------|-----|
| Loan from Related Party | 851 |
|-------------------------|-----|

\* The company has obtained a credit facility of limit upto USD 10 million from M/s. Jain Resource Recycling Private Limited and upto AED 1 million from M/s Ikon Square Limited. The term of the facility is for 2 years after the first payment date and the borrower have the right to repay the partial or total sum with interest upto settlement date. Interest is charged at 12% per annum.

^The company also obtained a credit facility of limit upto AED 1 million from M/s Ikon Global DMCC. The term of the facility is for 1 year after the first payment date and the borrower have the right to make lumpsum repayment. Interest is charged at 12% per annum.

|                                 | 30.09.2024       |
|---------------------------------|------------------|
| <b>13. Lease Liabilities</b>    |                  |
| Opening Balance                 | -                |
| Add: Addition during the period | 1,892,478        |
| Add: Interest during the period | 80,823           |
| Less: Payment during the period | (300,000)        |
| Closing Balance                 | <b>1,673,301</b> |
| Lease Liability within one year | 268,358          |
| Lease Liability after one year  | 1,404,943        |





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**14. Trade and Other Payables**

|                |                |
|----------------|----------------|
| Trade payables | 54,151         |
| Other Payables | 498,464        |
|                | <b>552,615</b> |

**15. 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.

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

| Name   | Nature of Balances      | 30.09.2024 |
|--|-------------------------|------------|
| M/s. Ikon Square Limited                     | Loan from Shareholders  | 304,636    |
| M/s. Jain Resource Recycling Private Limited | Loan from Shareholders  | 26,909,928 |
| M/s. Ikon Global                             | Loan from Related Party | 851        |
| Mr. Atul Pareek                              | Other Payables          | 474,607    |

**b) Significant Related Party transactions as on the date of reporting were as follows:**

| Name   | Nature of Transactions              | 30.09.2024 |
|--|-------------------------------------|------------|
| M/s. Ikon Square Limited                     | Interest on Shareholders' Loan      | 20,762     |
| M/s. Jain Resource Recycling Private Limited | Interest on Shareholders' Loan      | 302,428    |
| M/s. Ikon Global                             | Interest on Loan from Related Party | 17,143     |
| Mr. Atul Pareek                              | Managerial Remuneration             | 175,000    |





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**16. Sales**

|          |               |
|----------|---------------|
| Job work | 11,520        |
|          | <u>11,520</u> |

**17. Cost of Sales****Cost of materials consumed:**

|                          |                |
|--------------------------|----------------|
| Opening stock            | -              |
| Add: Purchases           | 30,380         |
| Less: Closing stock      | (30,380)       |
| Purchases of Consumables | 30,694         |
| Contract Cost            | 122,338        |
|                          | <u>153,032</u> |

**18. Other Income**

|                           |               |
|---------------------------|---------------|
| Interest on Fixed Deposit | 13,801        |
|                           | <u>13,801</u> |

**19. Salaries and other benefits**

|                               |                |
|-------------------------------|----------------|
| Salary                        | 174,950        |
| Food and Accomodation expense | 60,226         |
| Employee insurance            | 2,330          |
| Staff welfare expenses        | 9,808          |
| Staff House Rent              | 15,924         |
|                               | <u>263,238</u> |

**20. Administrative, Selling and Other Expenses**

|                                     |                |
|-------------------------------------|----------------|
| Business promotion expenses         | 7,869          |
| Maintainance and utility expenes    | 183,792        |
| Legal and Consultancy Expenses      | 154,842        |
| Rental expenses                     | 60,938         |
| Travelling expenses                 | 185,264        |
| Registration and technical expenses | 10,264         |
| Insurance Expenses                  | 22,672         |
| Rates and taxes                     | 11,365         |
| Printing and Stationery             | 8,191          |
| Visa and Immigration Expenses       | 63,019         |
| Other expenses                      | 90,434         |
|                                     | <u>798,650</u> |



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**21. Finance cost**

|                                     |                |
|-------------------------------------|----------------|
| Interest on Shareholders' Loan      | 323,190        |
| Interest on Loan from Related Party | 17,143         |
| Interest on Lease Liability         | 80,823         |
| Other Finance Cost                  | 137,075        |
|                                     | <b>558,231</b> |

**22. Financial Instruments**

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

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

**A. Fair Values**

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

**B. Financial Risk Management Objectives**

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

**Market risk****Credit risk****Liquidity risk****a. Market Risk**

Market risk is the risk that changes market prices which will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

*i. Foreign Currency Risk Management*

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

*ii. Interest Rate Risk*

Interest on fixed deposits is at fixed interest rates. Interest on call deposits are at floating interest rates. Interest on gold loan from bank is at floating interest rates prevailing in the UAE. Interest has been paid on long term loan received from the Shareholders.

**b. Credit Risk**

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



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**22. Financial Instruments (Continuation)**

**b. Credit Risk (Continuation)**

- 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.

**C. Capital Risk Management**

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

**23. Contingent Liabilities and Capital Commitments**

Except for the ongoing business obligation which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on Entity's Financial Statement as of reporting date.

**24. Comparative Figures**

Previous year figure's have not been incorporated as this is the first year of incorporation of the company.

**25. 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 JAIN IKON GLOBAL VENTURE FZC**

**MANAGER**

