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**Walker Chandiook & Co LLP**

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## **Independent Auditor's Report on the Special Purpose Condensed Financial Statements of Kalyan Jewellers Inc. for the year ended 31 March 2025**

### **To the Board of Directors of Kalyan Jewellers India Limited**

#### **Opinion**

1. We have audited the accompanying Special Purpose Condensed Financial Statements of Kalyan Jewellers Inc. ('the Subsidiary Company'), a wholly owned subsidiary of Kalyan Jewellers India Limited ('the Company') (the Company and Subsidiary Company together referred to as 'Companies'), which comprise the Special Purpose Condensed Balance Sheet as at 31 March 2025, the Special Purpose Condensed Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Condensed Statement of Changes in Equity, for the year then ended, and notes to the Special Purpose Condensed Financial Statements including material accounting policy information (together hereinafter referred to as 'Special Purpose Condensed Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Condensed Financial Statements are prepared, in all material respects, in accordance with the basis of preparation as described in note 1 to these Special Purpose Condensed Financial Statements.

#### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing and applicable pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Special Purpose Condensed Financial Statements' section of our report. We are independent of the Companies in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter - Basis of Preparation and Restriction on Distribution or Use**

4. We draw attention to note 1 to the accompanying Special Purpose Condensed Financial Statements, which describes the basis of its preparation. These Special Purpose Condensed Financial Statements have been prepared by the management of the Company using aforesaid special purpose financial reporting framework solely for the purpose of filing of Form ODI Part II – Annual Performance Report ('APR') with Authorised Dealer Bank as per the directions under Reserve Bank of India (RBI) FED Master Direction No. 18/2015-16 dated January 1, 2016, Foreign Exchange Management (Overseas Investment) regulations, 2022 vide Notification No. FEMA 400/2022 dated August 22, 2022 (the 'OI Regulations') and Foreign Exchange Management (Overseas Investment) Rules, 2022 vide

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Notification No. G.S.R. 646(E) dated August 22, 2022 (the 'OI Rules'), as amended from time to time, (together referred to as the 'FEMA Guidelines'), and therefore, these Special Purpose Condensed Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. Our opinion is not modified in respect of this matter.

## **Responsibilities of Management and Those Charged With Governance for the Special Purpose Condensed Financial Statements**

5. The Management of the Company is responsible for the preparation of these Special Purpose Condensed Financial Statements in accordance with the basis of preparation specified in note 1 to the Special Purpose Condensed Financial Statements including determination that such basis of preparation is acceptable in the circumstances. This responsibility also includes design, implementation and maintenance of internal controls relevant to the preparation of the Special Purpose Condensed Financial Statements that are, in all material respects, in accordance with the basis of preparation specified in aforementioned note 1 and are free from material misstatement, whether due to fraud or error.
6. In preparing the Special Purpose Condensed Financial Statements, management of the Company is responsible for assessing the Subsidiary 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 Subsidiary Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors of Company is responsible for overseeing the Subsidiary Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Special Purpose Condensed Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the Special Purpose Condensed Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Special Purpose Condensed Financial Statements.
9. As part of an audit in accordance with 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 operating effectiveness of the Subsidiary Company's internal controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

## Walker Chandiook & Co LLP

- 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 Subsidiary Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Subsidiary Company to cease to continue as a going concern;
10. We communicate with management of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Other Matter**

11. The financial statements for the year ended 31 March 2024 as included in the accompanying Special Purpose Condensed Financial Statements as comparative financial information were audited by the predecessor auditor, Sarath D B & Associates, who have expressed unmodified opinion on those financial statements vide their audit report dated 5 June 2024. Our opinion is not modified in respect of this matter.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

**Krishnakumar Ananthasivan**  
Partner  
Membership No.: 206229  
UDIN: 25206229BMOAOH2837

Place: Kochi  
Date: 17 December 2025

**Kalyan Jewellers Inc.**

Special Purpose Condensed Balance Sheet as at 31 March 2025

(Amounts in USD, except for shares data or as otherwise stated)

Particulars	Note No.	As at	
		31 March 2025	31 March 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	948,914.54	-
Capital work-in-progress		35,050.00	-
Right-of-use assets	4	7,990,743.41	4,860,117.10
Financial assets			
Other financial assets	5	149,733.98	213,386.70
Other non-current assets	6	759,096.02	-
<b>Total non-current assets</b>		<b>9,883,537.95</b>	<b>5,073,503.80</b>
<b>Current assets</b>			
Inventories	7	10,884,421.14	-
Financial assets			
Trade receivables	8	52,458.00	-
Cash and cash equivalents	9	498,164.98	244,745.84
Bank balances other than cash and cash equivalents	10	587,433.14	-
Other financial assets	5	4,521.01	-
Other current assets	6	49,081.92	-
<b>Total current assets</b>		<b>12,076,080.19</b>	<b>244,745.84</b>
<b>Total assets</b>		<b>21,959,618.14</b>	<b>5,318,249.64</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	11	4,950,001.00	700,001.00
Other equity	12	(1,232,518.47)	(247,843.68)
<b>Total equity</b>		<b>3,717,482.53</b>	<b>452,157.32</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	13	7,448,501.13	4,394,033.14
<b>Total non-current liabilities</b>		<b>7,448,501.13</b>	<b>4,394,033.14</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	14	3,168,826.00	-
Metal gold loan	15	6,005,912.80	-
Lease liabilities	13	568,831.35	437,659.18
Other financial liabilities	16	3,332.01	29,900.00
Trade payables	17	935,951.88	4,500.00
Other current liabilities	18	110,780.44	-
<b>Total current liabilities</b>		<b>10,793,634.48</b>	<b>472,059.18</b>
<b>Total equity and liabilities</b>		<b>21,959,618.14</b>	<b>5,318,249.64</b>

This is the Special Purpose Condensed Balance Sheet referred to in our report of even date.

For Walker Chandio &amp; Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

For Kalyan Jewellers Inc.

For and on behalf of Board of Directors of

Kalyan Jewellers India Limited

**Krishnakumar Ananthasivan**

Partner

Membership No.: 206229

**Sanjay Raghuraman**

Authorised Signatory

**T.S. Kalyanaraman**

Managing Director

Date: 17 December 2025

Place: Kochi

Date: 17 December 2025

Place: Thrissur

**Kalyan Jewellers Inc.**

Special Purpose Condensed Statement of Profit and Loss for the year ended 31 March 2025  
(Amounts in USD, except for shares data or as otherwise stated)

<b>Particulars</b>	<b>Note No.</b>	<b>For the year ended 31 March 2025</b>	<b>For the year ended 31 March 2024</b>
<b>Income</b>			
Revenue from operations	19	3,245,478.22	-
Other income	20	18,043.30	1,068.20
<b>I Total income</b>		<b>3,263,521.52</b>	<b>1,068.20</b>
<b>Expense</b>			
Cost of materials consumed	21	12,404,271.07	-
Changes in inventories of finished goods	21	(10,460,181.46)	-
Employee benefits expense	22	325,368.28	-
Finance cost	23	603,092.54	19,605.04
Depreciation expense	3	774,543.11	81,651.68
Other expenses	24	601,102.77	150,150.00
<b>II Total expenses</b>		<b>4,248,196.31</b>	<b>251,406.72</b>
<b>III Loss before tax (I - II)</b>		<b>(984,674.79)</b>	<b>(250,338.52)</b>
<b>IV Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>Total tax expense</b>			
<b>V Loss for the period (III - IV)</b>		<b>(984,674.79)</b>	<b>(250,338.52)</b>
<b>VI Other comprehensive income</b>			
		-	-
<b>Total comprehensive income for the year (V + VI)</b>		<b>(984,674.79)</b>	<b>(250,338.52)</b>

This is the Special Purpose Condensed Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

For and on behalf of Board of Directors of  
**Kalyan Jewellers Inc. Kalyan Jewellers India Limited**

**Krishnakumar Ananthasivan**  
Partner  
Membership No.: 206229

**Sanjay Raghuraman**  
Authorised Signatory

**T.S. Kalyanaraman**  
Managing Director

Date: 17 December 2025  
Place: Kochi

Date: 17 December 2025  
Place: Thrissur

**Kalyan Jewellers Inc.**

Special Purpose Condensed Statement of Changes in Equity for the year ended 31 March 2025

(Amounts in USD, except for shares data or as otherwise stated)

**A Equity shares**

Particulars	As at			
	31 March 2025		31 March 2024	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares of USD 0.001 each fully paid</b>				
Opening balance	1,000.00	1.00	1,000.00	1.00
Transactions during the year	-	-	-	-
<b>Closing balance</b>	<b>1,000.00</b>	<b>1.00</b>	<b>1,000.00</b>	<b>1.00</b>
<b>Equity shares of USD 1 each fully paid</b>				
Opening balance	700,000.00	700,000.00	-	-
Transactions during the year	4,250,000.00	4,250,000.00	700,000.00	700,000.00
<b>Closing balance</b>	<b>4,950,000.00</b>	<b>4,950,000.00</b>	<b>700,000.00</b>	<b>700,000.00</b>

**B Other equity**

Particulars	Reserves and Surplus	Total equity
	Retained earnings	
<b>Balance as at 31 March 2023</b>	<b>2,494.84</b>	<b>2,494.84</b>
Loss for the year (net of taxes)	(250,338.52)	(250,338.52)
<b>Balance as at 31 March 2024</b>	<b>(247,843.68)</b>	<b>(247,843.68)</b>
<b>Balance as at 31 March 2024</b>	<b>(247,843.68)</b>	<b>(247,843.68)</b>
Loss for the year (net of taxes)	(984,674.79)	(984,674.79)
<b>Balance as at 31 March 2025</b>	<b>(1,232,518.47)</b>	<b>(1,232,518.47)</b>

This is the Special Purpose Condensed Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

For **Kalyan Jewellers Inc.**

For and on behalf of Board of Directors of

**Kalyan Jewellers India Limited****Krishnakumar Ananthasivan**

Partner

Membership No.: 206229

**Sanjay Raghuraman**

Authorised Signatory

**T.S. Kalyanaraman**

Managing Director

Date: 17 December 2025

Place: Kochi

Date: 17 December 2025

Place: Thrissur

## **KALYAN JEWELERS INC.**

### **Notes forming part of the Special Purpose Condensed Financial Statements for the year ended 31 March 2025**

#### **1. Basis of preparation and presentation**

The special purpose condensed financial statements of Kalyan Jewellers Inc., a wholly owned subsidiary of Kalyan Jewellers India Limited, for the year ended 31 March 2025, which comprise special purpose condensed balance sheet as at 31 March 2025, special purpose condensed statement of profit and loss for the year ended 31 March 2025 and notes forming part of special purpose condensed financial statements including material accounting policy information and other explanatory information (together hereinafter referred to as 'special purpose condensed financial statements'), have been prepared by the management of Kalyan Jewellers India Limited solely for the purpose of filing of Form ODI Part II – Annual Performance Report with Authorised Dealer Bank as per the directions under Reserve Bank of India (RBI) FED Master Direction No. 18/2015-16 dated January 1, 2016, Foreign Exchange Management (Overseas Investment) Regulations, 2022 vide Notification No. FEMA 400/2022 dated August 22, 2022 and Foreign Exchange Management (Overseas Investment) Rules, 2022 vide Notification No. G.S.R. 646(E) dated August 22, 2022, as amended from time to time. These special purpose condensed financial statements have been prepared under historical cost convention on an accrual basis, in accordance with Indian Accounting Standards ('Ind AS') issued by the Institute of Chartered Accountants of India and other recognised accounting policies and principles generally accepted in India except for certain presentation and disclosure requirements under Ind AS. Accordingly, these special purpose condensed financial statements do not contain all the disclosures as required for a general purpose financial statements and are suitable only for the intended purpose detailed above.

#### **2. Material accounting policies**

##### **(i) Use of estimates and judgement**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### **(ii) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in US Dollars, the official currency of USA, which is the presentation currency of the Company.

##### **(iii) Revenue Recognition**

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.

a) Sale of goods: Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, net of customer incentives, discounts, variable considerations, payments made to customers, other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities

b) Interest income: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

##### **Contract assets and contract liabilities**

The Company makes use of a simplified approach in accounting for trade receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience and external indicators.

## **KALYAN JEWELERS INC.**

### **Notes forming part of the Special Purpose Condensed Financial Statements for the year ended 31 March 2025**

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in its Standalone balance sheet. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its Standalone balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

#### (iv) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease i.e., if the contract conveys the right to control the use of an identified asset for a period in exchange of consideration.

#### Company as a lessee

The Company's lease asset classes consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straightline method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term on a straight line basis.

#### (v) Foreign currencies

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

#### (vi) Employee benefits

All short-term employee benefits such as salaries, wages, bonus, and other benefits which fall within 12 months of the period in which the employee renders related services are recognised on an undiscounted basis.

#### (vii) Inventories

Inventories [other than quantities of gold for which the price is yet to be determined with the suppliers (Unfixed gold)] are stated at the lower of cost and net realizable value. In respect of gold, cost is determined on first-in-first-out basis, for silver cost is determined on annual weighted average basis and in respect of studded jewellery is determined on specific identification basis.

Unfixed gold is valued at the gold prices prevailing on the period closing date.

## **KALYAN JEWELERS INC.**

### **Notes forming part of the Special Purpose Condensed Financial Statements for the year ended 31 March 2025**

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recoverable by the Company), freight inwards and other expenditure directly attributable to acquisition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(viii) Provisions and contingencies

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When 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 the effect of time value of money is material).

Contingent liabilities: Contingent liabilities are not recognised but are disclosed in notes to accounts.

(ix) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

- a) **Non-derivative 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 subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### **Financial assets at amortised cost**

A financial asset is measured at amortised cost if both of the following conditions are met:

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

#### **Effective interest method**

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. The effective interest rate is that which exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets. Interest income is recognised in profit or loss and is included in the "Other income" line item.

- b) **Derecognition of financial assets:** A financial asset is derecognised only when the Company
- has transferred the rights to receive cash flows from the financial asset or
  - retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

## **KALYAN JEWELERS INC.**

### **Notes forming part of the Special Purpose Condensed Financial Statements for the year ended 31 March 2025**

When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Were the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

- c) **Foreign exchange gains and losses:** The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss.

- d) **Financial liabilities:** All financial liabilities are subsequently measured 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 remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income/Other expenses' line item.

#### **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

#### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

## **KALYAN JEWELERS INC.**

### **Notes forming part of the Special Purpose Condensed Financial Statements for the year ended 31 March 2025**

#### **(x) Segment reporting**

Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker.

#### **(xi) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks.

#### **(xii) Earnings per share (EPS)**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the profit or loss attributable to ordinary equity holders by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate

#### **(xiii) Property, Plant and Equipment**

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price/ acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use.

Machinery spares which can be used only in connection with an item of Property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation on Property, plant and equipment (other than freehold land) has been provided on the straightline method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Aeroplanes/Helicopters (30 years with an estimated residual value of 5%), in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of the tangible assets and the useful life are reviewed at the end of each financial year and the depreciation period is revised to reflect the changed pattern, if any.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any 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 and loss.

#### **(xiv) Impairment of Property, Plant and Equipment**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication

**KALYAN JEWELERS INC.**

**Notes forming part of the Special Purpose Condensed Financial Statements for the year ended 31 March 2025**

exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**(xv) Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**Kalyan Jewellers Inc.**

Notes forming part of Special Purpose Condensed Financial Statements for the year ended 31 March 2025

(Amounts in USD, except for shares data or as otherwise stated)

**Note****No.****3 Property, plant and equipment**

Description of Assets	Office equipment	Computers	Furniture and fixtures	Total
<b>I. At cost or deemed cost</b>				
<b>Balance as at 1 April 2024</b>	-	-	-	-
Additions	121,186.44	8,163.26	852,135.92	<b>981,485.62</b>
Disposals	(181.25)	-	-	<b>(181.25)</b>
<b>Balance as at 31 March 2025</b>	<b>121,005.19</b>	<b>8,163.26</b>	<b>852,135.92</b>	<b>981,304.37</b>
<b>II. Accumulated depreciation</b>				
<b>Balance as at 1 April 2024</b>	-	-	-	-
Charge for the period	6,954.40	680.01	24,762.87	<b>32,397.28</b>
Disposals	(7.45)	-	-	<b>(7.45)</b>
<b>Balance as at 31 March 2025</b>	<b>6,946.95</b>	<b>680.01</b>	<b>24,762.87</b>	<b>32,389.83</b>
<b>Carrying value (I-II)</b>				
<b>Balance as at 31 March 2025</b>	<b>114,058.24</b>	<b>7,483.25</b>	<b>827,373.05</b>	<b>948,914.54</b>
<b>Balance as at 31 March 2024</b>	-	-	-	-

**Depreciation and amortisation expense**

Particulars	For the year ended	
	31 March 2025	31 March 2024
Depreciation of property, plant and equipment	32,397.28	-
Depreciation of right of use assets	742,145.83	81,651.68
<b>Total</b>	<b>774,543.11</b>	<b>81,651.68</b>

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**Kalyan Jewellers Inc.**

Notes forming part of Special Purpose Condensed Financial Statements for the year ended 31 March 2025

(Amounts in USD, except for shares data or as otherwise stated)

Note

No.

**4 Right-of-use assets**

Particulars	As at	As at
	31 March 2025	31 March 2024
Right-of-use assets (ROU) at the beginning of the year	4,860,117.10	-
Add: Addition during the year on account of new leases	3,872,772.14	4,941,768.79
Less: Depreciation during the period	(742,145.83)	(81,651.68)
<b>Closing balance</b>	<b>7,990,743.41</b>	<b>4,860,117.10</b>

**5 Other financial assets***(Unsecured and considered good)*

Particulars	As at	As at
	31 March 2025	31 March 2024
<b>Non-current</b>		
<b>Measured at amortised cost</b>		
Security deposits	149,733.98	213,386.70
<b>Total</b>	<b>149,733.98</b>	<b>213,386.70</b>
<b>Current</b>		
<b>Measured at amortised cost</b>		
Security deposits	3,742.50	-
Interest accrued on loan to related party	778.51	-
<b>Total</b>	<b>4,521.01</b>	<b>-</b>

**6 Other assets***(Unsecured and considered good)*

Particulars	As at	As at
	31 March 2025	31 March 2024
<b>Non-current</b>		
<b>Measured at amortised cost</b>		
Capital advances	759,096.02	-
<b>Total</b>	<b>759,096.02</b>	<b>-</b>
<b>Current</b>		
<b>Measured at amortised cost</b>		
Advance to suppliers	17,788.24	-
Prepaid expenses	31,293.68	-
<b>Total</b>	<b>49,081.92</b>	<b>-</b>

**7 Inventories***(Measured at lower of cost and net realisable value)*

Particulars	As at	As at
	31 March 2025	31 March 2024
Raw materials	424,239.68	-
Finished goods	10,460,181.46	-
<b>Total</b>	<b>10,884,421.14</b>	<b>-</b>

Total inventory includes inventory procured on lease amounting to USD 6,005,912.80.

**8 Trade receivables**

Particulars	As at	As at
	31 March 2025	31 March 2024
<b>Unsecured</b>		
Trade receivables - considered good	52,458.00	-
Trade receivables which have significant increase in credit risk	-	-
	<b>52,458.00</b>	<b>-</b>
Less: Provision for expected credit losses	-	-
<b>Total</b>	<b>52,458.00</b>	<b>-</b>

**Kalyan Jewellers Inc.**

Notes forming part of Special Purpose Condensed Financial Statements for the year ended 31 March 2025  
(Amounts in USD, except for shares data or as otherwise stated)

Note  
No.

**9 Cash and cash equivalents**

Particulars	As at	As at
	31 March 2025	31 March 2024
<b>Cash and cash equivalents</b>		
Cash in hand	44,654.55	1.00
Balances with banks		
Current accounts	453,510.43	244,744.84
<b>Total cash and cash equivalents</b>	<b>498,164.98</b>	<b>244,745.84</b>

**10 Bank balances other than cash and cash equivalents**

Particulars	As at	As at
	31 March 2025	31 March 2024
<b>Cash and cash equivalents</b>		
Fixed deposits in earmarked accounts	587,433.14	-
<b>Total</b>	<b>587,433.14</b>	<b>-</b>

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**Kalyan Jewellers Inc.**

Notes forming part of Special Purpose Condensed Financial Statements for the year ended 31 March 2025  
(Amounts in USD, except for shares data or as otherwise stated)

Note  
No.

**11 Equity**

Particulars	As at		As at	
	31 March 2025		31 March 2024	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>				
Equity shares				
1,000 Equity shares of USD 0.001 each fully paid up	1,000.00	1.00	1,000.00	1.00
4,950,001 Equity shares (31 March 24: 700,000) of USD 1 each fully paid up	4,950,000.00	4,950,000.00	700,000.00	700,000.00
<b>Issued, subscribed and fully paid up</b>				
Equity shares				
1,000 Equity shares of USD 0.001 each fully paid up	1,000.00	1.00	1,000.00	1.00
4,950,001 Equity shares (31 March 24: 700,000) of USD 1 each fully paid up	4,950,000.00	4,950,000.00	700,000.00	700,000.00
<b>Total</b>	<b>4,951,000.00</b>	<b>4,950,001.00</b>	<b>701,000.00</b>	<b>700,001.00</b>

**(i) Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	As at		As at	
	31 March 2025		31 March 2024	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares of USD 0.001 each fully paid up</b>				
Opening balance	1,000.00	1.00	1,000.00	1.00
Add: Transactions during the year	-	-	-	-
<b>Closing balance</b>	<b>1,000.00</b>	<b>1.00</b>	<b>1,000.00</b>	<b>1.00</b>
<b>Equity shares of USD 1 each fully paid up</b>				
Opening balance	700,000.00	700,000.00	-	-
Add: Transactions during the year	4,250,000.0	4,250,000.00	700,000.00	700,000.00
<b>Closing balance</b>	<b>4,950,000.00</b>	<b>4,950,000.00</b>	<b>700,000.00</b>	<b>700,000.00</b>

(ii) Entire equity shares are held by Kalyan Jewellers India Limited, Holding Company.

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**Kalyan Jewellers Inc.**

Notes forming part of Special Purpose Condensed Financial Statements for the year ended 31 March 2025

(Amounts in USD, except for shares data or as otherwise stated)

Note

No.

**12 Other equity**

Particulars	As at	As at
	31 March 2025	31 March 2024
(i) Retained earnings	(1,232,518.47)	(247,843.68)
<b>Total</b>	<b>(1,232,518.47)</b>	<b>(247,843.68)</b>

Particulars	As at	As at
	31 March 2025	31 March 2024
(i) <b>Retained earnings</b>		
Balance at beginning of the year	(247,843.68)	2,494.84
Loss for the year	(984,674.79)	(250,338.52)
<b>Balance at the end of the year</b>	<b>(1,232,518.47)</b>	<b>(247,843.68)</b>

**(i) Nature and purpose of other reserve**

Retained earnings / Surplus: Retained earnings are the profits / loss that the Company has earned / incurred till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

**13 Lease liabilities**

Particulars	As at	As at
	31 March 2025	31 March 2024
<b>Non-current</b>		
Liability at the beginning of the year	4,831,692.32	-
Add: Addition during the year	3,754,000.00	4,862,087.28
Add: Finance cost on lease liability	504,412.56	19,605.04
Less: Lease rent expense	(872,772.40)	(50,000.00)
Less: Advance rent paid	(200,000.00)	-
<b>Closing balance</b>	<b>8,017,332.48</b>	<b>4,831,692.32</b>
Non-current portion of lease liability	7,448,501.13	4,394,033.14
Current portion of lease liability	568,831.35	437,659.18
<b>Closing balance</b>	<b>8,017,332.48</b>	<b>4,831,692.32</b>

**14 Borrowings**

Particulars	As at	As at
	31 March 2025	31 March 2024
Borrowings from holding company	3,168,826.00	-
<b>Total</b>	<b>3,168,826.00</b>	<b>-</b>

**15 Metal gold loan**

Particulars	As at	As at
	31 March 2025	31 March 2024
Due to others	6,005,912.80	-
<b>Total</b>	<b>6,005,912.80</b>	<b>-</b>

Represents amounts payable against gold procured from an external party on lease basis with variable interest rates ranging from 6% to 6.5% payable at monthly intervals. The credit period under the aforesaid arrangement is 180 to 365 days from the date of delivery of gold. The facility is secured by charge on the underlying gold.

**16 Other financial liabilities**

Particulars	As at	As at
	31 March 2025	31 March 2024
Advances from related parties	-	29,900.00
Due to creditors for capital goods	3,332.01	-
<b>Total</b>	<b>3,332.01</b>	<b>29,900.00</b>

**Kalyan Jewellers Inc.**

Notes forming part of Special Purpose Condensed Financial Statements for the year ended 31 March 2025  
(Amounts in USD, except for shares data or as otherwise stated)

Note  
No.

**17 Trade payables**

Particulars	As at	As at
	31 March 2025	31 March 2024
Total outstanding dues of other than micro and small enterprises	935,951.88	4,500.00
<b>Total</b>	<b>935,951.88</b>	<b>4,500.00</b>

**18 Other current liabilities**

Particulars	As at	As at
	31 March 2025	31 March 2024
Statutory dues	74,021.77	-
Contract liabilities (Advance from customers)	36,758.67	-
<b>Total</b>	<b>110,780.44</b>	<b>-</b>

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**Kalyan Jewellers Inc.**

Notes forming part of Special Purpose Condensed Financial Statements for the year ended 31 March 2025

(Amounts in USD, except for shares data or as otherwise stated)

Note

No.

**19 Revenue from operations**

Particulars	For the year ended	
	31 March 2025	31 March 2024
Revenue from sale of goods	3,245,478.22	-
<b>Total</b>	<b>3,245,478.22</b>	<b>-</b>

**20 Other income**

Particulars	For the year ended	
	31 March 2025	31 March 2024
Interest income on security deposits	14,732.63	1,068.20
Interest on deposits with banks	2,433.14	-
Miscellaneous income	877.53	-
<b>Total</b>	<b>18,043.30</b>	<b>1,068.20</b>

**21 Cost of materials consumed and Changes in inventories of finished goods**

Particulars	For the year ended	
	31 March 2025	31 March 2024
<b>A Cost of materials consumed</b>		
Opening stock of raw material	-	-
Add: Purchases	12,828,510.75	-
	<b>12,828,510.75</b>	-
Less: Closing stock of raw material	(424,239.68)	-
<b>Total material consumed</b>	<b>12,404,271.07</b>	<b>-</b>
<b>B Changes in inventories of finished goods</b>		
<b>Inventories at the end of the year</b>		
Finished goods	10,460,181.46	-
<b>Total</b>	<b>10,460,181.46</b>	<b>-</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Net increase in finished goods</b>	<b>(10,460,181.46)</b>	<b>-</b>

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**Kalyan Jewellers Inc.**

Notes forming part of Special Purpose Condensed Financial Statements for the year ended 31 March 2025

(Amounts in USD, except for shares data or as otherwise stated)

Note

No.

**22 Employee benefits expense**

Particulars	For the year ended	
	31 March 2025	31 March 2024
Salaries and wages	294,519.13	-
Staff welfare expenses	30,849.15	-
<b>Total</b>	<b>325,368.28</b>	<b>-</b>

**23 Finance cost**

Particulars	For the year ended	
	31 March 2025	31 March 2024
Interest on lease liabilities	504,412.83	19,605.04
Interest on loan from holding company	84,076.00	-
Gold lease charges	14,603.71	-
<b>Total</b>	<b>603,092.54</b>	<b>19,605.04</b>

**24 Other expenses**

Particulars	For the year ended	
	31 March 2025	31 March 2024
Power and fuel	8,420.23	-
Rent including lease rentals	41,145.30	-
Brokerage	-	120,000.00
Repairs and maintenance	44,918.33	-
Telephone and leased line expenses	5,967.64	-
Packing materials and compliments	16,473.64	-
Rates and taxes	5,240.52	-
Insurance charges	46,439.64	-
Sales promotion	27,362.10	-
Commission and rebates	102,958.72	-
Legal and other professional costs	151,411.03	4,500.00
Travelling expenses	46,337.30	-
Printing and stationery	9,391.28	-
Security expenses	42,003.17	-
Bank charges	50,028.82	650.00
Miscellaneous expenses	3,005.05	25,000.00
<b>Total</b>	<b>601,102.77</b>	<b>150,150.00</b>

**25 Taxation**

The Company has no current tax expense on account of losses reported.

The Company has deferred tax assets on account of current year and brought forward losses and other timing differences. However these have not been recognised in books as a matter of prudence in view of the significant losses during the current year and previous year.

There are no items of tax expense/credit recognised in other comprehensive income in current year and previous year.

**26 Earnings per share (EPS) (loss)**

Particulars	For the year ended	
	31 March 2025	31 March 2024
Loss after tax [A]	(984,674.79)	(250,339.00)
Weighted average no. of shares for basic and diluted EPS (in No's) [B]	3,208,945.21	87,301.37
Basic and diluted earnings per share [A/B]	(0.31)	(2.87)

27 The Chief Operating Decision Maker (CODM) of the Company examines the performance from the perspective of the Company as a whole viz. 'Jewellery business' and hence there are no separate reportable segments.

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**Kalyan Jewellers Inc.**

Notes forming part of Special Purpose Condensed Financial Statements for the year ended 31 March 2025  
(Amounts in USD, except for shares data or as otherwise stated)

**Note  
No.**

- 28 There are no contingent liabilities as at the year end and previous year end.
- 29 Previous year's figures have been regrouped / reclassified wherever necessary to conform with the current year's classification / disclosure.
- 30 The comparative financial information included in the Special Purpose Condensed Financial Statements is as per the Special Purpose Condensed Financial Statements for the year ended 31 March 2024, which were audited by the predecessor auditor, Sarath D B & Associates.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

For **Kalyan Jewellers Inc.**

For and on behalf of Board of Directors of  
**Kalyan Jewellers India Limited**

**Krishnakumar Ananthasivan**  
Partner  
Membership No.: 206229

**Sanjay Raghuraman**  
Authorised Signatory

**T.S. Kalyanaraman**  
Managing Director

Date: 17 December 2025  
Place: Kochi

Date: 17 December 2025  
Place: Thrissur